

Cabinet

Wednesday 7 February 2024 at 6:00 p.m.

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

[Livestream Link](#)

Portfolios

Councillor M.A. Bird,
Leader of the Council



Councillor G. Perry,
Deputy Leader
Resilient
Communities



Councillor A.
Andrew, Deputy
Leader and
Regeneration



Councillor K.
Ferguson,
Internal Services



Councillor K.
Pedley,
Adult Social Care



Councillor G. Flint,
Wellbeing, Leisure
and Public Spaces



Councillor S. Elson,
Children's



Councillor M.
Statham,
Education and Skills



Councillor K.
Murphy,
Street Pride



Councillor G. Ali,
Customer



Democratic Services, The Council House, Walsall, WS1 1TW
Contact name: Craig Goodall Telephone: 01922 654765 Email: craig.goodall@walsall.gov.uk
[Walsall Council Website](#)

**If you are disabled and require help to and from the meeting room,
please contact the person above**

Quorum 3 members

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 1 – Public session

1. **Apologies**

2. **Minutes – 13 December 2023**

(Enclosed: pp.7-15)

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: pp.16-22)

Leader of the Council: Councillor Bird

Key Decision

8. Corporate Budget Plan 2024/25 – 2027/28, incorporating the Capital Strategy and the Treasury Management and investment Strategy 2024/25

(Enclosed: pp.23-225)

Non-Key Decision

9. Corporate Financial Performance 2023/24

(Enclosed: pp.226-278)

10. Council Plan 2022/25 – Q2 23/24

(Enclosed: pp.279-298)

Deputy Leader & Regeneration: Councillor Andrew

Key Decision

11. Walsall's Regeneration Pipeline: Strategic Partner Framework Contract Award

(Enclosed: pp.299-316)

12. Investment and Leasing Proposals for Council Owned Community Buildings

(Enclosed: pp.317-328)

Portfolio Holder for Wellbeing, Leisure & Public Spaces: Councillor Flint

Key Decision

13. Balloon and Sky Lantern Release Policy

(Enclosed: pp.329-337)

Portfolio Holder for Adult Social Care: Councillor Pedley

Key Decision

14. Improving Quality and Value for Money in Adult Social Care Provision

(Enclosed: pp.338-354)

Portfolio Holder for Education and Skills: Councillor M. Statham

Key Decision

15. Determination of the Scheme for coordinated admissions, and the Admission Arrangements for Community and Voluntary Controlled Primary Schools for the 2025/26 academic year

(Enclosed: pp.355-382)

Feedback from Overview and Scrutiny

Non-key Decision

16. Recommendations from Economy & Environment Overview and Scrutiny Committee regarding town centre plans

(Enclosed pp.383-384)

Part 2 – Private Session

Portfolio Holder for Adult Social Care: Councillor Pedley

Key Decision

17. Improving Quality and Value for Money in Adult Social Care Provision
(Enclosed pp.385-392)

(Exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended))

Cabinet

Wednesday 13 December 2023

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

Present

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

In attendance

E. Bennett	Chief Executive
K. Allward	Executive Director – Adult Social Care
D. Brown	Executive Director – Economy, Environment and Communities
J. Greenhalgh	Executive Director – Resources
C. Male	Executive Director – Children's Services
A. Cox	Director of Governance
S. Darcy	Director of Finance, Corporate Performance Management and Corporate Landlord
N. Inglis	Director of Public Health
C. Goodall	Principal Democratic Services Officer
E. Cook	Democratic Services Officer

Part 1 – Public Session

4149 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.

4150 Apologies

No apologies were received.

4151 Minutes

The minutes of the meeting held on 18 October 2023 were submitted.

Resolved

That the minutes of the meeting held on 18 October 2023, a copy having been sent to each member of the Cabinet, be approved and signed as a correct record.

4152 Declarations of interest

No declarations of interest were received.

4153 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

4154 Petitions

No petitions were submitted.

4155 Questions

No questions were received.

4156 Forward plan

The forward plan as of December 2023 was submitted:

(annexed)

Resolved

That the forward plan be noted.

4157 Internal Audit Service Contract Award

Councillor Ferguson introduced a report which sought authority to appoint a contract for the provision of an internal audit service to support the statutory requirements of the Council's Section 151 Officer and to add value to and improve the Council's operations.

(annexed)

The decision was taken in the private session following consideration of exempt information (see minute number 4169).

4158 **Draft Revenue Budget and Draft Capital Programme 2024/25 to 2027/28 – Update**

Councillor Bird introduced a report which provided an update on the medium-term financial outlook including the current in-year position; provided initial analysis of the Government's Autumn Statement; and provided feedback and updates on budget consultations to date.

(annexed)

It was **moved** by Councillor Bird and **seconded** by Councillor Andrew and it was;

Resolved (unanimously)

That Cabinet:

1. **Notes the update to the current Corporate Financial Performance for 2023/24 – a forecast revenue spend above budget of £19.75m with services mitigating actions of £4.05m and central mitigating action of £10.82m, reducing this to £4.88m.**
2. **Approves the passporting of two unringfenced Section 31 grants to Childrens Services – one to support the delivery of the expanded Early Years entitlements, and the other for wrap around care, along with the passporting of Commonwealth Games Legacy Enhancement funding to Economy, Environment and Communities for localised targeted job support, as detailed at section 4.13 to 4.15.**
3. **Approves amendments to the capital programme as set out in section 4.16 and notes that the forecast on the approved capital programme is an underspend of £710k, after the forecast carry forward of £32.37m into 2024/25. Any in year underspend will be transferred to capital contingency to cover any emerging pressures within other approved schemes due to cost of living rises and any new unforeseen capital expenditure.**
4. **Approves the release of £6.42m from the development pool for the Homelessness Temporary Accommodation Expansion and Redesign Programme, £170k for Bereavement Services Maintenance Programme, and £854k for the new Internal Residential Home Programme, as set out in sections 4.19, 4.20 and 4.21 respectively.**
5. **Approves the capitalisation of the Library Book Fund of £145k to be funded from the forecast capital underspend in 2023/24, as set out in section 4.22.**
6. **Notes the feedback from Overview Scrutiny Committees at Appendix 3 and considers this feedback in preparation for final budget recommendations in February 2024.**
7. **Notes the changes to the Medium-Term Financial Outlook, and subsequent plans to address the remaining c£12m revenue gap in 2024/25 as detailed at section 4.24 to 4.29 and 4.37 to 4.38.**

8. Notes the high risk to the MTFO predictions from April 2024 as outlined in section 4.27.
9. Notes the extension of the ringfencing of Dedicated School Grant deficits to 31 March 2026 as detailed in sections 4.30 and 4.31 and that a further update will be provided when more details are known.
10. Notes the changes to the Draft Capital Programme 2024/25 to 2027/28 as detailed at section 4.32 to 4.34.
11. Notes the main implications from the Chancellors Autumn Statement announcement on 22 November 2023 as detailed at section 4.35 and 4.36, and that the council at the time of despatch of this report, is still awaiting details of the Provisional Settlement.
12. Notes that further reports may be referred to Scrutiny Overview Committee should there be any significant changes to proposals relating to the individual remit of each Committee, as appropriate.

4159 LGA Corporate Peer Challenge Revisit

Councillor Bird introduced a report which presented the findings of the recent Local Government Association (LGA) Corporate Peer Challenge (CPC) revisit and presented the final report from the LGA in the peer review process.

(annexed)

It was **moved** by Councillor Bird and **seconded** by Councillor Andrew and it was;

Resolved (unanimously)

1. That Cabinet notes and celebrates the successes highlighted by the final Corporate Peer Challenge report.
2. That Cabinet notes how any remaining actions are now being taken forward under existing internal programmes and governance.

4160 The Walsall Borough Local Plan - Call for Sites

Councillor Andrew introduced a report which sought permission to implement a Call for Sites as part of work preparing the Walsall Borough Local Plan.

(annexed)

Councillor Andrew emphasised that it was not guaranteed that any sites put forward in the Call for Sites would be incorporated into the final Walsall Borough Local Plan and that the call for sites would also welcome suggestions of sites for employment land and protection as green spaces.

It was **moved** by Councillor Andrew and **seconded** by Councillor Bird and it was;

Resolved (unanimously)

1. That Cabinet authorises the publicising and implementation of a call for sites to commence from January 2024 onwards.
2. That Cabinet delegates authority to the Executive Director for Economy, Environment and Communities to agree the detail, scope and timing of the issuing of the call for sites in consultation with the Portfolio Holder for Regeneration.

4161 **Walsall Youth Justice Annual Strategic Plan**

Councillor Elson introduced a report seeking Cabinet support for the Annual Youth Justice Plan and its recommendation to Council for approval.

(annexed)

It was **moved** by Councillor Andrew and **seconded** by Councillor Bird and it was;

Resolved (unanimously)

1. That Cabinet recommends Walsall's Youth Justice annual strategic plan to Council for approval.
2. That Cabinet delegates authority to make any future minor amendments to the plan, if and when required, to the Executive Director of Children's Services in consultation with the Portfolio Holder for Children's services

4162 **Treasury Management Mid-Year Position Statement 2023/24**

Councillor Ferguson 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 Ferguson and **seconded** by Councillor Bird and it was;

Resolved (unanimously)

That Cabinet notes and forwards to Council, for consideration and noting (and in line with the requirements of the Treasury Management Code of Practice (2021)), the mid-year position statement for treasury management activities 2023/24 including prudential and local indicators (Appendix A).

4163 **Walsall Children and Families Healthy Eating Programme**

Councillor Flint introduced a report which sought to award a contract to ensure Walsall Council delivered a programme of interventions to promote and influence healthy eating and growing in early years settings, schools and communities.

(annexed)

The decision was taken in the private session following consideration of exempt information (see minute number 4170).

4164 **Tobacco Control Plan for Walsall 2023 to 2027**

Councillor Flint introduced a report which sought to ensure the council could provide a co-ordinated approach to tobacco control in Walsall.

(annexed)

It was **moved** by Councillor Flint and **seconded** by Councillor Perry and it was;

Resolved (unanimously)

1. **That Cabinet approves the revised Tobacco Control Plan for Walsall.**
2. **That Cabinet delegates The Safer Walsall Partnership Board to oversee the implementation of the local Tobacco Control Plan, with appropriate health partnership input provided through the Health and Wellbeing Board.**
3. **That Cabinet authorises the Leader of the Council; Portfolio Holder for Wellbeing, Leisure and Public Spaces; Deputy Leader – Resilient Communities; Chief Executive and Interim Director of Public Health to sign the Local Government Declaration on Tobacco Control, supporting the national ambition of being smoke free by 2030.**

4165 **Adult Social Care contributions policy for community and residential**

Councillor Pedley introduced a report setting out changes to the Council's contributions policy for community and residential care services.

(annexed)

It was **moved** by Councillor Pedley and **seconded** by Councillor Bird and seconded by it was;

Resolved (unanimously)

1. **That Cabinet approves the updated Adult Social Care Contributions Policy, to go live on Monday 5 February 2024.**

2. That Cabinet notes the progress made to date to improve business processes and the experience of customers who require a financial assessment.

4166 **Recommendations from Education Overview and Scrutiny Committee regarding school performance data**

Councillor Statham introduced a report which reported recommendations made to Cabinet by the Education Overview and Scrutiny Committee regarding school performance data.

(annexed)

It was **moved** by Councillor Statham and **seconded** by Councillor Bird and seconded by it was;

Resolved (unanimously)

That Cabinet notes the recommendation from the Education Overview and Scrutiny Committee and the outcome it sought. It is important to understand the performance of all local schools on behalf of local children and young people, however, on consideration presenting school performance data as a borough wide statistic for Local Authority averages is appropriate, noting that more detailed information about individual school performance is publicly available on the Department for Education website for those who wish to view it.

4167 **Recommendations from Scrutiny Overview Committee regarding policing within Walsall**

Councillor Perry introduced a report which reported on recommendations made to Cabinet by the Scrutiny Overview Committee regarding policing within Walsall.

(annexed)

It was **moved** by Councillor Perry and **seconded** by Councillor Bird and it was;

Resolved (unanimously)

That Cabinet notes that the Council undertakes significant partnership work with West Midlands Police including the co-location of teams in the Civic Centre. To further enhance these arrangements, Cabinet supports the creation of a Walsall Road Safety Group by West Midlands Police.

4168 **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 Paragraph 3 of Part I of Schedule 12A of the Local Government Act, 1972, and accordingly resolves to consider the items in private.

Part 2 - Private Session

Public Summary of decisions taken in the Private Session

4169 Internal Audit Service Contract Award

Councillor Ferguson introduced a report into the Internal Audit Service Contract Award, including exempt information which had not been considered during the public session.

(annexed)

It was **moved** by Councillor Ferguson and **seconded** by Councillor Bird and seconded by it was;

Resolved (unanimously)

1. That Cabinet Awards the contract for the provision of an Internal Audit Service to Mazars LLP from 1 April 2024 until 31 March 2026 (with the option to extend for 2 further 12 month periods).
2. That Cabinet delegates authority to the Executive Director of Resources and Transformation to enter into a new contract to deliver the Internal Audit Service by using the most appropriate procedures and to subsequently authorise the sealing of any deeds, contracts or other related documents for the provision of such services.
3. That Cabinet delegates authority to the Executive Director of Resources and Transformation to vary the contract during the contractual period to ensure the Council continues to achieve value for money and the services continue to meet corporate priorities.

(Exempt Information under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as amended)

The following is a full record of the decision taken of the decision taken in the private session.

4170 Walsall Children and Families Healthy Eating Programme

Councillor Flint introduced a report into the Walsall Children and Families Healthy Eating Programme including exempt information which had not been considered during the public session.

(annexed)

It was **moved** by Councillor Flint and **seconded** by Councillor Bird and seconded by it was;

Resolved (unanimously)

- 1. That Cabinet approves the award of a contract for the period 1 April 2024 to 31 March 2027, with an option to extend for two periods of up to twelve months (2 x 12 months), with an anticipated value in the region of £1.148m to Soil Association Limited (The), for the delivery of the Children and Families Healthy Eating Programme.**
- 2. That Cabinet delegates authority to the Director of Public Health, in consultation with the Portfolio Holder for Wellbeing, Leisure and Public Spaces, to enter into a contract to deliver the Children and Families Healthy Eating Programme, and to subsequently authorise the sealing and signing of any deeds, contracts or other related documents for such services be approved.**
- 3. That Cabinet delegates authority to Director of Public Health, in consultation with the Portfolio Holder for Wellbeing, Leisure and Public Spaces, 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.**

(Exempt Information under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as amended)

There being no further business, the meeting terminated at 6:50 p.m.

Chair:

Date:



FORWARD PLAN OF KEY DECISIONS

**Council House,
Lichfield Street,
Walsall, WS1 1TW**
www.walsall.gov.uk

8 JANUARY 2024

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 and can also be accessed from the Council’s website at 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).

“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 2024 TO MAY 2024 (08.01.2024)**

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
50/23 (2.10.23)	Corporate Financial Performance 2023/24: To report the financial position based on 9 months to December 2023.	Cabinet Non-key decision	Vicky Buckley Vicky.Buckley@walsall.gov.uk	Internal Services	Cllr Bird	7 February 2024
51/23 (2.10.23)	Corporate Budget Plan 2024/25 – 2027/28, incorporating the Capital Strategy and the Treasury Management and investment Strategy 2024/25: To recommend the final budget and council tax for approval by Council.	Cabinet Council Key decision	Vicky Buckley Vicky.Buckley@walsall.gov.uk	Council taxpayers, business rate payers, voluntary and community organisations. Internal Services	Cllr Bird	7 February 2024 (Council: 22 February 2024)
52/23 (2.10.23)	Council Plan 2022/25 – Q2 23/24: To note the Quarter 2 2023/24 (outturn) performance against the Markers of Success in the Council Plan 2022/25.	Cabinet Non-key decision	Elizabeth Connolly Elizabeth.Connolly@walsall.gov.uk	Internal Services	Cllr Bird	7 February 2024
1/24 (8.1.24)	Walsall’s Regeneration Pipeline: To award a contract for the strategic partner framework.	Cabinet Key Decision	Joel Maybury Joel.Maybury@walsall.gov.uk	Internal Services	Cllr Andrew	7 February 2024

2/24 (8.1.24)	<p>Acquisition of a Strategic Town Centre Development Site:</p> <p>To approve the acquisition of a strategic town centre development site.</p> <p><i>This will be a private session report containing commercially sensitive information.</i></p>	Cabinet Key Decision	Nick Ford Nick.Ford@walsall.gov.uk	Internal Services	Cllr Andrew	7 February 2024
3/24 (8.1.24)	<p>Investment and Leasing Proposals for Council Owned Community Buildings:</p> <p>To support the continued delivery of services by the voluntary and community sector, through the signing of lease agreements and the underwriting of capital investment gaps for those occupying Council-owned properties. <i>This is an updated item previously included in the forward plan as entry 60/23.</i></p>	Cabinet Key Decision	Nick Ford Nick.Ford@walsall.gov.uk	Internal Services	Cllr Andrew	7 February 2024
65/23 (4.12.23)	<p>Materials Contract Awards:</p> <p>To award off-take and processing contracts for multiple recyclable materials.</p> <p><i>This will be a private session report containing commercially sensitive information.</i></p>	Cabinet Key decision	Katie Moreton Kathryn.Moreton@walsall.gov.uk Alan Bowley Alan.Bowley@walsall.gov.uk	Internal Services	Cllr Murphy	7 February 2024
4/24 (8.1.24)	<p>Walsall Balloon and Lantern Release Policy:</p>	Cabinet Non-key Decision	Jaki Brunton-Douglas Jaki.Brunton-Douglas@walsall.gov.uk	Internal Services	Cllr Murphy	7 February 2024

	Decision to be made on adopting the policy which will treat any 'releases' as litter.					
5/24 (8.1.24)	Fee Uplift Approach for Adult Social Care: To outline a revised approach to fee setting, fee uplifts and the links to quality across Adult Social Care services	Cabinet Key Decision	Andrew Osborn Andrew.Osborn@walsall.gov.uk	Internal Services	Cllr Pedley	7 February 2024
53/23 (2.10.23)	Determination of the Scheme for coordinated admissions, and the Admission Arrangements for Community and Voluntary Controlled Primary Schools for the 2025/26 academic year: To determine the scheme of admissions and admission arrangements for community and voluntary-controlled primary schools for 2025-26.	Cabinet Key Decision	Alex Groom Alex.Groom@walsall.gov.uk	Internal Services, Neighbouring Local Authorities, Schools, Faith Groups	Cllr M. Statham	7 February 2024
14/23 (6.2.23)	Growth Funding for Schools: To enable the Local Authority to fulfil its duty to secure sufficient primary and secondary school places, through the adoption of a policy for the application of revenue funding for school growth.	Cabinet Key Decision	Alex Groom Alex.Groom@walsall.gov.uk	Internal Services, Schools Forum	Cllr M. Statham	7 February 2024
6/24 (8.1.24)	Alternative Provision Contract: To approve the award contracts for the provision of Alternative Education.	Cabinet Key Decision	Laura Wood Laura.Wood@walsall.gov.uk	Internal Services	Cllr M. Statham	20 March 2024

58/23 (6.11.23)	High Needs Funding Formula 2024/25: 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 2024/25 financial year.	Cabinet Key Decision	Richard Walley Richard.Walley@walsall.gov.uk	Schools Forum, Internal Services	Cllr M. Statham	20 March 2024
59/23 (6.11.23)	Early Years Funding Formula 2024/25: To Cabinet approve the Early Years Funding Formula, as agreed by Schools Forum, to be used as the allocation of funding to early years providers in Walsall.	Cabinet Key Decision	Richard Walley Richard.Walley@walsall.gov.uk	Schools Forum, Internal Services	Cllr M. Statham	20 March 2024
46/23 (4.9.23)	SEN Place Requirement: To approve finance for additional special educational needs school places.	Cabinet Key Decision	Alex Groom Alex.Groom@walsall.gov.uk	Internal Services	Cllr M. Statham	20 March 2024
66/23 (4.12.23)	Waste Management Strategy Update - Fryers Road Household Waste Recycling Centre redevelopment (HWRC): That Cabinet approve the pre-tender budget for the redevelopment of a larger Fryers Road HWRC and agree to use the Pagabo framework (design and build stages) for the procurement of Fryers Road HWRC.	Cabinet Key Decision	Katie Moreton Kathryn.Moreton@walsall.gov.uk Stephen Johnson Stephen.Johnson@walsall.gov.uk	Internal Services	Cllr Andrew Cllr Murphy	17 April 2024

67/23 (4.12.23)	Council Plan 2022/25 – Q3 23/24: To note the Quarter 3 2023/24 (outturn) performance against the Markers of Success in the Council Plan 2022/25	Cabinet Non-key decision	Elizabeth Connolly Elizabeth.Connolly@walsall.gov.uk	Internal Services	Cllr Bird	17 April 2024
57/23 (6.11.23)	Walsall Net-Zero 2041 Climate Strategy: To approve the Walsall Net-Zero 2041 Strategy.	Cabinet Key Decision	Katie Moreton Kathryn.Moreton@walsall.gov.uk	Internal Services	Cllr Flint	July 2024

Cabinet – 7 February 2024

Corporate Budget Plan 2024/25 to 2027/28, incorporating the Capital Strategy; and the Treasury Management and Investment Strategy 2024/25

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

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, the Capital Strategy, 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 2024/25+ 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 2024/25 has not been received. Any changes arising from this, including the impact of the additional £600m of funding to Local Authorities announced on 24 January 2024, will be included within the final papers to Council on 22 February 2024.
- 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 2024/25. Draft figures have been included. Final figures will therefore be provided prior to or at the Council meeting of 22 February 2024 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 2024/25. 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 72,932.78 for 2024/25.
- 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 savings and investment proposals identified since the December Cabinet report, as set out in section 4.27 and table 1.
- 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 2024/25+ 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 - Budget), 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 22 February 2024.
- c) Approve the policy service changes as set out in section 4.28, Table 2 of this 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 and final changes arising from 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 2024/25 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 2024/25 of £152.03m and a 2.99% increase in council tax, plus a further 2% increase for Adult Social Care precept (total council tax increase of 4.99%).
- 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 reserves and an opening general reserve of not less than £18.39m, 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 22 February 2024. (An estimate has been used within this report based on informal notification from the authorities).

LEVY	AMOUNT (£)
West Midlands Combined Authority Transport Levy	11,907,475
Environment Agency	86,505

- 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 22 February 2024 for the final figures once received:

- I. **£777,287,884** 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. **£625,255,460** being the aggregate income which the council estimates for the items set out in Section 31A(3) (a) to (d) of the Act.
- III. **£152,032,424** 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. **£2,084.56** being the amount at (e) (III) above, divided by the council tax base of 72,932.78, 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.

A	B	C	D
1,389.70	1,621.32	1,852.94	2,084.56
E	F	G	H
2,547.79	3,011.02	3,474.26	4,169.11

- 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 22 February 2024.

PRECEPTING AUTHORITY	VALUATION BANDS			
	A	B	C	D
Police And Crime Commissioner	143.70	167.65	191.60	215.55
	E	F	G	H
	263.45	311.35	359.25	431.10
Fire & Rescue	A	B	C	D
	50.13	58.49	66.84	75.20
	E	F	G	H
	91.91	108.62	125.33	150.40

- 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 2024/25 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 22 February 2024.

A	B	C	D
1,583.53	1,847.46	2,111.38	2,375.31
E	F	G	H
2,903.15	3,430.99	3,958.84	4,750.61

- 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 - Budget), 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 2024/25 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 2024/25 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 potential 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 recommended level of reserves, is referred to in the Chief Finance Officer (S151 Officer) **Section 25 statement** at **Annex 11** of the Budget Plan. The Council continues to operate in a challenging financial environment with uncertainty over funding beyond 2024/25. It is critical to ensure long term

financial sustainability that the Council has an appropriate level of earmarked reserves and general reserve working balance to be able to mitigate any risks that appear in year which cannot be contained within Directorate budgets. It is unlikely that all risks identified will arise, however new risks are likely to 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 MTFF.

- 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). Such risk will be continually monitored by transport officers and via the WMCA S151 Finance Director group.

Financial implications

- 4.6 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

- 4.7 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.
- 4.8 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.
- 4.9 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. The Council must have regard to this in setting the budget envelope.
- 4.10 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.

- 4.11 In recent years Central Government has capped the level of council tax rises. For 2024/25, 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 18 December 2023, inclusive of the 2% ring-fenced for Adult Social Care. This report proposes a 4.99% increase.
- 4.12 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.
- 4.13 An update on the approach to consultation was reported to Cabinet on 13 December 2023 and full details and feedback is provided in **Section A - Part 2** of this report.
- 4.14 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.
- 4.15 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.
- 4.16 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

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

Property implications

- 4.18 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

- 4.19 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

- 4.20 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.
- 4.21 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

- 4.22 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. Equality Impact Assessment analysis is contained in **Section A - Part 3** of this report.

Climate Change

- 4.23 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

- 4.24 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.
- 4.25 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 – Parts 1 and 2** of this report.

Amendments to the Revenue Budget

4.26 Since the draft revenue budget was presented to Cabinet on 18 October 2023, with an update reported to Cabinet on 13 December 2023, there have been a number of funding announcements and technical and other changes to the budget; these can be summarised as follows:

- The provisional 2024/25 Settlement was received on 18 December 2023. This confirmed referendum principles for the increase in council tax of 2.99% along with a further 2% precept for social care authorities in 2024/25. A council tax increase of 4.99% is included in the proposed budget for 2024/25.
- The Settlement also confirmed changes to other specific grants. The net impact of the settlement was a £830k reduction in funding compared to 2024/25 MTFO assumptions.
- Additional investment in services, including; additional investment to support demand within adult social care following a review of existing and future forecasts; investment to fund shortfalls in income projections, and new grant allocations.
- Identification of new savings in relation to third party spend and digital opportunities.
- Finalisation and approval by the S151 Officer, under delegations, of the council tax base and NNDR1 (business rates) return in January 2024;
- A number of transfers to/from reserves to smooth financing of one-off /short term costs.
- Details on the above are found within the Budget Plan.

4.27 The budget update report to Cabinet on 13 December 2023 outlined a number of changes to the original proposals, reducing the initial financial gap from £18.06m to £12.35m in 2024/25. The MTFO has been further reviewed and updated, resulting in a balanced budget for 2024/25, subject to the successful delivery of £20.10m of identified benefits for 2024/25, as referred to in **Annex 6** of the Budget Plan. **Table 1** summarises the changes made to the MTFO previously reported.

4.28 The draft revenue budget contains 6 policy proposals in respect of 2024/25, and 77 operational savings. Feedback from consultation and equality impact assessment has been considered by Cabinet as 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 2** overleaf (under the heading Executive (Cabinet) Decision) and instruct Executive Directors to implement the resulting decision.

Table 1: Movement in MTFO since draft budget update report to Cabinet on 13 December 2023

	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Gap as per report to Cabinet 13 December 2023	12.35	17.56	8.41	8.70	47.02
Changes to investments					
Inv. 6 - New posts within planning & land registry reduced	(0.05)	(0.05)	0.10	0.00	0.00
Inv. 8 - Charge developers for travel plans - reinstate removal of saving	(0.03)	0.00	0.00	0.00	(0.03)
Inv. 9 - Crisis Support - reinstatement of reduction	0.20	0.00	0.00	0.00	0.20
Inv. 10 - Social Care increases in demand based updated profile	(2.45)	0.00	0.00	0.00	(2.45)
Inv. 11 - Contract price uplifts based on updated profile	2.45	0.00	0.00	0.00	2.45
Inv. 12 - Adult Social Care affordability model - Housing 21	(0.11)	(0.00)	(0.00)	(0.02)	(0.14)
Inv. 38 - Coroners contractual inflation	(0.03)	0.00	0.00	0.00	(0.03)
Inv. 43 - Increase in bed and breakfast costs	0.19	0.01	0.01	0.01	0.22
Inv. 54 - Capital financing / borrowing rescheduling	0.00	0.00	2.50	(2.50)	0.00
Inv. 58 - Transport Levy	0.06	0.12	0.13	0.13	0.43
Inv. 59 - Cost of living / demand	1.36	(1.36)	0.00	0.00	0.00
Inv. 84 – Revised Agency for domestic and garden waste	(0.03)	0.00	0.00	0.00	(0.03)
Inv. 92 - Rewilding of urban grassed areas - reinstate part saving removal	(0.05)	0.00	0.00	0.00	(0.05)
Inv. 95 - Other contractual implications in Economy, Environment & Communities	(0.24)	0.00	0.00	0.00	(0.24)
Inv. 101 - Reduction in direct payment refunds - NEW	1.10	0.00	0.00	0.00	1.10
Inv. 102 - Local Stop Smoking Services & Support Grant - NEW	0.37	0.00	0.00	0.00	0.37
Inv. 103 - Household Support Fund grant now ceasing - NEW	0.28	0.00	0.00	0.00	0.28
Total changes to investments	3.02	(1.28)	2.73	(2.38)	2.08
Changes to savings proposals					
OP34 - Fees and charges reduced within Economy, Environment & Communities	(0.03)	0.00	0.00	0.00	(0.03)
OP45 - Review of courier costs of equipment to new starters removed	0.05	0.00	0.00	0.00	0.05
OP73 - Recovery of provider overpayment through payment audit - NEW	(1.10)	0.00	0.00	0.00	(1.10)
OP74 - Additional income generation in Communications - NEW	0.00	(0.07)	(0.09)	0.00	(0.16)
OP76 - Additional Third Party spend (TPS) savings – NEW (council wide)	(3.00)	0.00	0.00	0.00	(3.00)
OP77 – Digital Opportunities – NEW (council wide)	(2.70)	0.00	0.00	0.00	(2.70)
Total changes to savings proposals	(6.78)	(0.07)	(0.09)	0.00	(6.94)

	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
Other changes / service adjustments					
Use of reserves - Crisis Support	(0.50)	0.00	0.00	0.00	(0.50)
Use of reserves – staffing in ASC and Children's (2 years transitional funding) *	(2.93)	0.00	2.93	0.00	0.00
Use of reserves - ASC demand (1-year transitional funding) *	(3.86)	3.86	0.00	0.00	0.00
Use of reserves - home to school transport (1-year transitional funding) *	(0.99)	0.99	0.00	0.00	0.00
Use of reserves - Public Health (1-year transitional funding) *	(0.30)	0.30	0.00	0.00	0.00
Use of reserves - Cost of living	(1.36)	1.36	0.00	0.00	0.00
Release of central budgets	(1.38)	0.00	0.00	0.00	(1.38)
Base budget adjustment - Local Stop Smoking Services & Support s31 grant income (Adult Social Care)	(0.37)	0.00	0.00	0.00	(0.37)
Removal of undeliverable saving (CAM)	1.54	0.00	0.00	0.00	1.54
Democratic Services increased provision	0.06	0.00	0.00	0.00	0.06
Changes in council tax base	0.37	0.01	0.01	0.01	0.40
Changes to Council tax surplus	0.30	(0.30)	0.00	0.00	0.00
Net movement in Provisional Settlement 18/12/23	0.83	0.76	(0.02)	(0.03)	1.54
Total other changes / service adjustments	(8.59)	6.98	2.92	(0.01)	1.29
Revised savings to be identified (Current gap)	(0.00)	23.19	13.97	6.30	43.45

Note:

1. * Transitional funding through the use of earmarked reserves has been provided to allow time for development of revised demand management and transformation plans for adults and children's social care and public health and to agree next stages of this work.
2. Figures in brackets refers to a reduction in expenditure; increase in savings or grant; or use of reserves.

Table 2: Summary of revised policy savings and the Executive (Cabinet) decision

Saving ref	Policy Saving Consulted on	2024/25 £	Decision required	Executive (Cabinet) Decision
<i>Economy, Environment and Communities</i>				
P1	Leisure health checks (new charge)	(5,125)	Y	Approve the proposal.
P2	Registrars – introduction of charges for change of name deeds	(3,000)	Y	Approve the proposal.
P3	Arts and Events income - to introduce new online shop sales and ticketing	(15,000)	Y	Approve the proposal.
P4	Street lighting dimming and trimming during the evening	(160,000)	Y	Approve the proposal.
P5	Cease provision of Festive lights	(40,000)	Y	<p><i>Approve an amended proposal “Seek Sponsorship for Festive Lights”.</i></p> <p>Further to consultation and equality impact assessment feedback, this saving has been amended from Christmas to Festive lights and further amended to reflect that sponsorship is being sought to continue provision.</p>
P6	Closure of Fryers Road and Merchants Way Household Waste Recycling Centres for 1 day (7 to 6) - saving on contract spend	(150,000)	Y	Approve the proposal.

Amendments to the Capital Programme

4.29 The revised draft capital programme was set out in the report to Cabinet on 13 December 2023, totalling £121.99m for 2024/25. The programme has increased by **£44.58m** to £166.57m in 2024/25 with the following additions:

- Inclusion of a number of proposed carry forward schemes from 2023/24 totalling £31.77m (£26.27m council funded and £5.50m external funded), now shown in a separate column on the capital programme at Annex 9 of the budget plan. All carry forwards will be reported to Cabinet for approval alongside the outturn position for 2023/24 once finalised.
- Rephrasing of a number of externally funded schemes of £12.81m as follows:
 - Walsall Towns Deal (£1m);
 - Bloxwich Towns Deal (£1m);
 - Basic Need (£5.7m);
 - Future High Streets Fund (£3.63m);
 - Willenhall Levelling Up Fund (£500k);
 - Yorks Bridge (£978k).

Treasury Management and Investment Strategy for 2024/25 Onwards, and Capital Strategy

4.30 The Treasury Management Code of Practice requires regular reporting of treasury management performance and practice, with the 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.

Borrowing and investment objectives have 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.

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 22 February 2024 for formal approval of the 2024/25 statutory determinations and council tax bands.

6. Respond

6.1 Following recommendation by Cabinet, this budget report and plan will be forwarded on for formal approval by Council on 22 February 2024.

7. Review

7.1 Following approval by Council on 22 February 2024, the 2024/25 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 2023/24 to 2026/27, incorporating the Capital Strategy; and the Treasury Management and Investment Strategy 2023/24 – Council 23 February 2023.
- Corporate Financial Performance 2023/24 and approach to Budget Setting for 2024/25 - Cabinet 19 July 2023
- Draft Revenue Budget and Draft Capital Programme 2024/25 to 2027/28 - Cabinet 18 October 2023.
- Draft Revenue Budget and Draft Capital Programme 2024/25 to 2027/28 Update - Cabinet 13 December 2023.
- Local Government Finance Settlement data.
- Equality Impact Assessments.

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Judith Greenhalgh
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7 February 2024



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7 February 2024



Councillor M Bird
Leader of the Council

7 February 2024

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 November / December 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 – 11 December 2023

The Leader of the Council introduced the report and outlined that it was still a time of budgetary pressures. He highlighted that many Councils across the country were facing financial pressures. The Council was committed to balance the budget for 2024/25 and the Cabinet were due to consider revised proposals and provisional statement on 13 December 2023.

The Committee considered a supplementary paper, which provided an updated snapshot of the medium-term financial outlook. This paper identified that the financial gap had been reduced from £18.06m to 12.35m from the period between October 2023 and December 2023.

Supporting a dynamic, resilient, and diverse economy where businesses invest, and everyone has the right jobs and the right housing in the right place

A Member sought clarification of the capital development investment scheme. In response, the Leader of the Council confirmed that there were a number of capital pipeline schemes which were subject to business case approval. Majority of the schemes related to regeneration activity such as the Walsall Gateway project. The pipeline schemes enabled the Council to be ready and perceptive to Government funding allocations as and when announced.

We get things right, first time and make all services accessible and easy to use

Ref: OP36 – 50% mitigation of Bed and Breakfast costs – increase of temporary accommodation provision

There were concerns that the increase of bed and breakfast costs were a result of an increase of Section 21 notices. In response, the Director of Customer Engagement confirmed that the Council had seen an increase of demand of temporary homelessness. This was a national trend, and Walsall was not unique in this respect. She concluded that a breakdown of temporary accommodation numbers would be circulated to the Committee.

Ref: 40 - Increase in volume of Bank Charges for receiving online payments

The Chair sought clarification on the increases of bank charges. In response, the Director of Customer Engagement confirmed that the increase was a result of an expiration of a payment contract and had looked to renegotiate the contract. Due to inflationary pressures, the new contract and cost associated had resulted in higher costs overall.

The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring

Ref: Other schemes carried forward from previous years requiring completion.

There was a discussion about the prior year approval schemes in respect of Civic Centre and Council House heating works. In response, the Director of Finance confirmed that Council had received a significant grant from the Midland Energy Hub for works to improve energy efficiency across both sites. The Leader of the Council welcomed the scheme and stated that the buildings were inefficient and suffered from substantial heat loss especially over the winter period. It was noted that building consent had been given to majority of the works.

Ref: Low Carbon Heating Project – Civic Centre/Town Hall/Council House

A Member queried whether community organisations were eligible for funding in respect of Solar PV. In response, the Director of Finance confirmed that the Council was preparing a project assessment to maximise the effectiveness of Solar PV and renewable investment. Initial bid for funding had been prepared for the Council's total estate and subject to funding further analysis prior to approval.

Ref: Chip & Pin Devices

Concerns were raised about the reduction of cash payment options in respect of Council payments. In response, the Leader of the Council gave assurance that cash payments would always be available for Council service payments. In addition, the Director of Customer Engagement reiterated that the Council had cash payment options and worked with a number of local shops to offer 'PayPoint' to provide cash payment options locally for services such as Council Tax.

Ref: Information Governance – Shortfall in income from Schools.

A Member queried whether there had been a reduction in schools undertaking information governance training or whether schools were procuring training options from alternative providers. In response, it was confirmed that a number of academies had chosen to procure their own training packages which had resulted in a reduction of schools using Council services.

There was a lengthy discussion on the competitiveness of Council traded services. The Leader of the Council confirmed that Portfolio Holders had been requested to review statutory and non-statutory services to enable best use of Council funds. There was a view that circular funding could enable community organisations to run services more efficiently.

Ref: Council Tax

There was a discussion about incentives relating to Council Tax. Officers confirmed that a study would be carried out on whether it would be feasible for the Council to incentivise one-off annual Council Tax payments. This would be subject to whether the Council achieved better investment returns and cashflow as a result.

Ref: 58 – WM Combined Authority contribution for Metro

The Chair sought clarification on the Council's contribution to the metro and funding associated. The Leader of the Council confirmed that there were historical proposals for the metro to be extended to Walsall. Funding was included as part of the transport levy at the West Midlands Combined Authority.

Ref: OP48 – Early Payment Supplier Programme

A general point was raised in respect of supplier payments, the Council offered an incentive for suppliers by way of shortened payment terms if a discount was provided for services.

People can access support in their community to keep safe and well and remain independent at home.

Ref: General Savings by directorate for 2024/25

There were concerns about the proposed savings of £4.59m in Adult Social Care, Public Health and Hub. A Member queried whether savings were as a result of a reduction of services or making services much more efficient. In response, the Leader of the Council confirmed that the Council was working to make services more efficient, such as keeping individuals in their own homes for care services and treatment. In addition, the Council had also reviewed care assessment procedures to optimise referral processes.

The Council had procured Impower to undertake a review of Children and Adult Social Care to review procedures to improve practices and identify best practice.

A Member welcomed and commended the investment of £28.61m and £14.09m into Adult Social Care and Children's Services.

The people of Walsall feel safe in a cleaner, greener Borough.

Ref: 90, 91 and 96 – Increase of Community Protection Enforcement Officers, Town Centre Guardians and Reintroduce a youth team into the community

A Member sought clarification on the lack of investment into services for 2025/26 and onwards. In response, the Director of Finance confirmed that the investment in 2024/25 had been positioned and would be reoccurring in future years unless stated. The Leader of the Council committed to the provision of delivering youth services in the Borough for the current administration and should be invested in year on year.

A Member sought clarification on the number of recruited community enforcement officers. In response, it was confirmed that 3 officers would be recruited.

The Committee Resolved that:

1. The Committee considered and noted the draft revenue budget proposals 2024/25 – 2027/28 to date that related to the remit of the Scrutiny Overview Committee.

2. The Committee considered and noted the draft capital schemes 2024/25 – 2027/28 included in the draft capital programme that relate to the remit of the Scrutiny Overview Committee.
3. The Committee noted that the revenue budget for 2024/25 is currently not balanced, with a gap of c£18m, and requested that a further report be considered by the Scrutiny Overview Committee if there any significant changes to draft proposals outlined relating to services within the committee's remit.
4. The Committee welcomed investment put forward in respect of youth service provision and request that consideration be given to any further investment needed in the base budget subject to satisfactory feedback data.

3. Children's Services Overview and Scrutiny Committee – 2 November 2023

Members considered the budget proposals presented and sought further information and assurances on a number of the proposals contained within the draft revenue budget and draft capital programme 2024/25 – 2027/28.

During a period of questioning, detail was provided to the Committee on the reasons for an increased demand for services, which had led to increasing cost pressures. The Committee was informed that this included a serious incident resulting in the arrest of several children within the Borough. It was noted that there has been an increase in large sibling groups and teenagers accessing services – although Walsall was comparable to neighbouring authorities. It was noted that there had been an increase in serious youth violence in Walsall and adolescents presenting with complex needs. This alongside the cost-of-living crisis, the covid-19 pandemic and a change in legislation had impacted on demand and cost to Council services. A discussion ensued on the rise in more complex cases, with societal issues as a driving factor in this, it was stressed that as such issues emerged social work adapted to respond to the need presenting.

Challenge was provided by the Committee in relation to the mitigation of risks and levels of inflation, it was acknowledged that the increase in foster carers fees and allowances set by the Department of Education had been significant, finance officers were only able to make an assumption however it was expected that this would not continue to rise at the elevated rate. Members challenged the savings outlined in appendix 2, and the level of confidence in the Council's ability to deliver them.

The capital investment and development of residential children's homes was welcomed as an investment which would produce savings, and most importantly, better outcomes for children and young people.

The Committee Resolved that:

1. The Children's Services Overview and Scrutiny Committee request that the investments in children's services continue to receive Cabinet support, as they are considered essential to delivering future savings within this service area.
2. The work to recruit foster carers in the Borough was noted as positive and the Children's Services Overview Scrutiny Committee hopes to see continued success in this area.

4. Education Overview and Scrutiny Committee – 21 November 2023

The Portfolio Holder (Education and Skills) introduced the report to the Committee, and the Finance Manager presented further detail of the proposals. Members considered the budget proposals presented and sought further information and assurances on a number of the proposals contained within the draft revenue budget and draft capital programme 2024/25 – 2027/28.

In response to a question, the Portfolio Holder clarified that any further savings proposals would not be divided equally amongst service areas but would be based on the demand to and needs of the service. Further challenge was provided in relation to staffing costs, and the reasons why this figure was different for each year. The Director (Access and Inclusion) stated that the figures were set according to demand which were profiled and modelled for each year accordingly.

Clarification was provided by Officers in relation to the capital investment in school buildings, the Committee was informed that this investment was aimed at maintaining the school estate and was based on the school estate survey.

The Committee Resolved that:

1. The Committee considered and noted the draft revenue budget proposals 2024/25 – 2027/28 to date that related to the remit of the Education Overview and Scrutiny Committee.
2. The Committee considered and noted the draft capital schemes 2024/25 – 2027/28 included in the draft capital programme that relate to the remit of the Education Overview and Scrutiny Committee.
3. The Committee noted that the revenue budget for 2024/25 is currently not balanced, with a gap of c£18m, and requested that a further report be considered by the Education Overview and Scrutiny Committee if there any significant changes to draft proposals outlined relating to services within the committee's remit.

5. Economy and Environment Overview and Scrutiny Committee – 23 November 2023

The Leader of the Council introduced the report and underlined that it was still a time of budgetary pressures. He highlighted that many Councils across the country were facing financial pressures and Walsall was not unique in this respect. The Council was committed to balance the budget for 2024/25 and the Cabinet were due to consider revised proposals and provisional statement on 13 December 2023.

The people of Walsall feel safe in a cleaner, greener borough

A lengthy discussion occurred in relation to the breakdown of statutory and non-statutory services in respect of the budget. A Member sought clarification on whether the Council would have to cut back on free garden waste collection like many Councils across the country. The Leader of the Council responded that the Council was committed to free garden waste collections and was investigating proposals to turn garden waste into energy.

Ref:93 – Removal of 2023/24 saving – increase recycling rates and reduce contamination

A Member sought clarification on recycling rates and how to improve rates in the Borough. In response, the Portfolio Holder for Street Pride confirmed that the Council was committed to educating residents and businesses about the placement of refuse to avoid cross contamination of recycling objects. It was noted that only 7% of rubbish in Walsall proceeds to landfill sites with the remainder being recycled (including energy from waste).

Ref: P4 – Street lighting dimming and trimming during the evening

A Member sought clarification on whether street light dimming would make Walsall safer. In response, the Portfolio Holder for Street Pride confirmed that the Council was working with the contractor Amey on a pilot scheme. It was suggested that dimming street lighting by 50% would save the Council £160k during 2024/25 and would not result in a direct noticeable impact by the public. The Director of Place and Environment highlighted the Council was investigating the use of phased dimming which involved a gradual reduction of lighting as peak traffic reduces. She concluded that further investigation was required prior to finalisation of the scheme, and the saving proposed was based on a specific proportion of street lighting and not the entire Borough.

Ref: P5 – Cease provision of Christmas lights

There were concerns about proposed cessation of Christmas lights in the Borough. The Portfolio Holder for Street Pride confirmed the Council's contractor Amey had agreed to provide a social value contribution to the Borough's Christmas lights. Therefore, the Committee were assured that Christmas lighting would still go ahead as planned.

Ref: OP69 – Other waste disposal – (e.g., grey bin, plasterboard, textiles)

A Member queried whether the Council collected medical waste as the NHS provided a similar medical waste collection service. In response, the Portfolio for Street Pride confirmed the Council collected medical waste, which was paramount for individuals requiring long term medical intervention and treatment. In this respect, it was confirmed that Council's medical collections were a non-chargeable service.

Ref: 89 – Enforcement of fly tipping, litter dropping, cigarette dropping etc

There was a discussion about preventative measures and enforcement of fly tipping and littering. The Portfolio for Street Pride confirmed that penalties associated with fly tipping and littering were fixed and could only be adjusted by a Magistrates' Court.

In respect of CCTV enforcement, the Council utilised covert cameras and were consistently rotated around the Borough on a regular basis. In addition, there were several preventative signage to deter criminality. A Member commented on whether there had been a cost benefit to the Council due to the implementation of preventative measure compared to 2022. It was confirmed that this information would be made available to the Committee at a future meeting.

A Member sought clarification on whether the Council could recover costs associated with fly tipping from a Magistrates' or Small Claims Court. In response, the Leader of the Council confirmed that this would be a responsibility for the Magistrates' Court. However, in respect of recovery from Small Claims' Court, he confirmed that officers would investigate, and a response would be provided.

Education, training, and skills enable people to contribute to their community and our economy

Ref: OP10 – Libraries partnership with voluntary sector

A Member queried whether the Council was looking to make redundancies in library services or increase number of volunteers in the service. The Leader of the Council confirmed that whilst the Council could not guarantee there would not be any compulsory redundancies, there would be a commitment to ensure redeployment or early retirement opportunities were considered before any redundancy decisions.

Supporting a dynamic, resilient, and diverse economy where businesses invest, and everyone has the right jobs and the right housing in the right place

Ref: Capital Scheme – Other schemes carried forward from previous years – car park resurfacing works

A Member requested that the Council examine the option for parent and child bays for Council owned car parks. In response, the Director for Place and Environment confirmed that parent and child spaces had an adverse impact on car parking capacity and were possibly unenforceable. There was a discussion about abuses of car parking spaces in particular, disabled bays. In this respect, it was confirmed that the Council enforces disabled bays and was looking to increase awareness of these types of spaces in communities.

The Committee Resolved that:

The Committee noted the draft revenue budget proposals and draft revenue capital scheme.

6. Social Care and Health Overview and Scrutiny Committee – 7 December 2023

The Finance Manager for Adult Social Care introduced the report and underlined that currently the proposed draft budget had not been balanced but some progress had been made to rectify this.

Due to a lack of the clarity within the report, Members queried whether savings as identified in Table B of the report were invest to save proposals or were a result of reduced funding. The Finance Manager clarified that the majority of savings outlined were due to investments being made which were predicted to lead to savings in the subsequent financial years.

The Executive Director for Adult Social Care in absence of the Portfolio Holder, explained the planned savings outlined in Table B and proposed invest to save measures.

A brief discussion took place between officers and Members.

Some members would be supportive of an expansion of the number of Shared Lives placements within the Borough on top of the existing provision. In response, it was noted, the Council were considering placement increases in the future. However, the shared lives model wasn't a widely used and the attraction of shared lives carers remained challenging.

Members were concerned that the proposed savings would reduce service delivery and if not achieved would place further budgetary pressure on the Council's finances in the future. Officers stressed that the investments made would improve services and increase early intervention, thus reducing future costs.

Several recommendations were made at the end of the item through the Chair. These recommendations were as follows:

- That the Committee express its concern that the proposed savings of £4,544,392 for 2024/25 could potentially be detrimental to those receiving care within the Borough.
- The Committee expresses its concern that the predicted additional income for 2024/25 may not be achieved and this would lead to further budgetary pressures.
- That the planned investments in relation to investment reference 24, 'Community Reablement Service', would be difficult to implement quickly and therefore challenge the deliverability of the planned savings of £1.14 million (OP 24) in the financial year 2024/25.
- That the Committee request that the Cabinet write to the Secretary of State for Health and Social Care to ask for additional funding for social care and a long-term funding model.

These recommendations were not adopted by the Committee when put to the vote.

The Committee Resolved that:

1. The Committee considered the draft revenue budget proposals to date as attached that related to its remit as shown in Appendices 1 and 2, and that feedback would be presented to Cabinet on 13 December 2023.
2. That the Committee noted that the revenue budget for 2024/25 was currently not balanced, with a gap of c£18m, and therefore a further report would be required if any changes to draft proposals outlined related to services within the committee's remit.
3. That the Committee considered the draft capital schemes included in the draft capital programme attached that related to its remit as shown in Appendices 3 and 4, and that feedback would be presented to Cabinet on 13 December 2023.

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 2024/25 to 2027/28 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 were published on 11 October 2023 (18 October Cabinet report) and on the council's website at:
www.walsall.gov.uk/budgethaveyoursay
- 1.4 Consultation with a range of stakeholders, including residents, Non-Domestic Rate Payers, voluntary and community organisations, trades unions, Councillors and other key stakeholders took place between 19 October 2023 and 10 December 2023.

Communications and promotion

- 1.5 The consultation was announced in a news item on the council's website and was promoted on social media on the corporate 'X' and Facebook accounts. 4,530 impressions (the total number of times a post has been displayed in a social feed) were achieved, 81 engagements (comments, likes or shares).
- 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 available for people to call for further information or to make a comment.
- 1.8 3,500 leaflets promoting budget consultation were distributed throughout all public facing council buildings including libraries, leisure centres, the Art Gallery and the Leather Museum.
- 1.9 Staff at Walsall Connected centres all over the borough were sent a briefing note and leaflets to enable them to promote the consultation and support people to have their say online.

- 1.10 Businesses and voluntary organisations were also sent the information and invited to have their say (see section 2.18).
- 1.11 The 18 October Cabinet report - Draft Revenue Budget and Draft Capital Programme 2024/25 – 2027/28 included 6 policy proposals and 72 operational proposals for consultation.
- 1.12 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.
- 1.13 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?
- 1.14 By the closing date 29 responses had been received via the online survey. Two emails were received.

Petitions

- 1.15 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 19 October 2023 until 10 December 2023.
- 2.2 By the closing date 29 responses had been received. 26 people were residents of Walsall, 1 was a community and voluntary sector representative and 1 council employee responded. The remaining 1 was unknown.
- 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.
- 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 P6

- 2.5 All 6 draft policy proposals were consulted on via the online survey. Paper copies were available on request. Detailed summaries of feedback from consultation plus EqlA 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 (number of responses – all low)	Saving / new income 2024/25 £	Overall opinion	Support	Support with concerns / amendments	Do not support	PPS EqIA
P1	Leisure health checks based on 5% forecast take up One off investment of £40,000 in 2024/25. Additional saving of £20,125 in 2025/26. (3 respondents)	(5,125)	Divided	33%	33%	33%	A
P2	Registrars – introduction of charges for change of name deeds (3 respondents)	(3,000)	Support	100%	0%	0%	A
P3	Arts and Events income - to introduce new online shop sales and ticketing. Additional savings of £10,000 in 2025/26, £25,000 in 2026/27, £25,000 in 2027/28 (4 respondents)	(15,000)	Support	75%	25%	0%	A
P4	Street lighting dimming and trimming during the evening (11 respondents)	(160,000)	Support with concerns	27%	64%	9%	B
P5	Cease provision of Christmas lights (11 respondents)	(40,000)	Against	18%	27%	55%	A
P6	Closure of Fryers Road and Merchants Way Household Waste Recycling Centres for 1 day (7 to 6) - saving on contract spend (8 respondents)	(150,000)	Against	38%	0%	63%	A

- **P4 concerns / amendments:** Concern about darker streets, crime, and personal safety.
- **P5 Against:** General disappointment. Seen as important for lifting the mood and linked to faith. Highlighted that all ‘festive’ lights should be stopped not just Christmas lights.
- **Against P6:** Concern about increase in incidents of fly tipping.

Operational proposals

- 2.7 7 respondents commented on a handful of operational proposals. Feedback has been shared with the relevant services.

Capital Investment

- 2.8 When asked for thoughts on the capital programme, the following comments were made;

"You're spending a lot of money on bed and breakfasts. Build more council properties, offer to buy back ex-council properties".

"There is a lot of money being made available for the town centre and Bloxwich, it should be reviewed on a cost per resident basis compared to other services available across the borough."

Thoughts on paying more council tax to help protect services

- 2.9 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 for the Walsall Council element of council tax were provided.

- 2.10 Most respondents who answered the question do not want to see council tax increased by 2.99%. Results show that 17 people (out of 28 who answered the question) do not support a general council tax increase of 2.99%. However, 11 people did support a 2.99% increase.

- 2.11 Comments from respondents who did not favour an increase in general council tax focus on it continuing to be unaffordable especially as the cost-of-living crisis remains. Concern is expressed about the most vulnerable households being impacted.

- 2.12 Comments include;

"We had an increase in the last financial year. The council cannot keep putting pressure on residence through a cost-of-living crisis. With families this winter already not putting on the heating and choosing to eat."

"Residents are struggling enough with bills, council's shortfall on funding should not be made at the expense of residents."

"The extra cost will put a strain on household expenses and will hard for families to justify with the loss of services."

"Increasing council tax will affect the most vulnerable and families with low-income households who already struggling financially."

- 2.13 The 11 respondents in favour of a 2.99% increase tend to feel it is justified given reduced funding and the need to maintain services.

"We as residents need to contribute to our council's funding if we need decent, and relevant services. Given that wage inflation is more than 6% and the increase to state

pensions and other benefits is likely to be in the order of 8% a 2.99% increase in council tax is not unreasonable.

"I know times are tough but we need to pay for our public services."

"If it is the only way to save services then do it."

2.14 In terms of applying a 2% adult social care precept views are divided:

- 7 respondents say yes apply it in addition to general increase;
- 6 respondents say do not apply precept, general increase only;
- 4 respondents say apply 2% precept only;
- 10 respondents say do not increase council tax at all ;
- 2 said don't know.

2.15 A 2% precept for adult social care, on top of a 2.99% general increase, generates greater concern around affordability particularly for families and vulnerable people who are perceived to be already struggling. Some believe central government should be footing the bill instead.

"Families don't have the money and will push households into the red."

"Residents are struggling enough with high bills for food, fuel, gas and electric."

"The extra cost will put a strain on already stretched household incomes and cannot be justified with the loss of services."

"Council tax for Walsall is the 13th highest in the country, 11 of those are in the south-east and incomes are considerably higher. I would have to move out of the county [borough] to afford to survive."

2.16 Some who wanted the precept applied, highlighted the importance of supporting vulnerable, elderly people and to support independence.

"Desperately need to raise additional money for ASC."

"The care of our elderly and vulnerable is important they shouldn't suffer through lack of government funding requiring ourselves to foot the bill."

"Yes, if it helps to keep people getting help in to stay in their own homes."

2.17 Most respondents (18 people) say paying more council tax will have a big impact on them, 9 people say some impact and 1 said no impact.

Statutory consultation on the draft budget and council tax (NDRP) and community and voluntary sector

2.18 As part of the council's statutory duty to consult¹ 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 2024/25.

- 2.19 On 8 November 2023 emails outlining the draft budget and explaining the adult social care precept were distributed electronically to 1,236 businesses and to approx. Over 400 community partners and community organisations were contacted via existing networks including North, South, East and West localities and via One Walsall. As well as providing a link where further information could be found the communication invited these businesses and organisations to have their say via the online survey.
- 2.20 By the final closing date of 10 December 2023, 0 responses from business representatives were received and 1 from a community / vol sector organisation.
- 2.21 The only policy proposal commented on was P4 street lighting dimming and trimming, which the organisation supported but with concerns / amendments. They did not expand on why.

Trade Union Consultation (via ERF)

- 2.22 The trades unions were briefed on the budget on 19 October 2023 and were asked to provide any feedback. ERF noted the investments, savings identified to date and key risk to the forecasts. ERF commented on the pay award provision beyond 2025/26 reducing to 2% and whether this would be sufficient. It was advised that assumptions would be under continual review. ERF welcomed further updates once the budget is recommended to Council by Cabinet. A further update is planned for 6 February 2024.

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

Introduction

- 1.1 All managers responsible for savings proposals outlined in the draft budget reports to Cabinet on 18 October and 13 December 2023 were requested to carry out an assessment of each proposal.
- 1.2 An Equality Impact Assessment (EqIA) is Walsall Council's 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 EqIA suggest?

An EqIA 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 18 October and 13 December 2023 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. 6 policy proposals and 72 operational proposals were considered for their impact on protected characteristic groups. Each of the proposals had an equality screening and 6 policy proposals and 4 operational proposals were considered necessary or having the potential to undergo an impact assessment process.

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

Ref	Decision	2024/25 EqlAs
A	No major change required	5
B	Adjustments are needed to mitigate adverse impact and to better promote equality (Includes initial EqlAs submitted and in progress)	1
C	Continue despite possible adverse impact	0
D	Stop and rethink the proposal	0
	No EqlA required	0
	Awaiting confirmation of commencement to EqlA	0
	Total (Policy)	6

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.

2.4 All EqlAs that result in initial B or C outcomes are further reviewed by the Strategy and Policy Unit 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. There were no C outcomes.

2.5 The 6 policy proposals included within the draft budget for 2024/25 were reviewed as follows:

Ref Number	Proposal	EqlA outcome	Update / Comments
P1	Leisure Health Checks	A	No major change required.
P2	Registrars change of name deeds	A	No major change required.
P3	Arts & Events income - To introduce new online shop sales and ticketing	A	No major change required.
P4	Streetlight dimming and trimming	B	Adjustments are needed to mitigate adverse impact and to better promote equality. The service will monitor the impact of the dimming and trimming of streetlights on the experiences and perceptions of safety and in vulnerable locations for different protected characteristics, including age, gender, disabilities and others.
P5	Cease provision of Christmas lights	A	No major change required. In terms of equality for all race and religious groups, this proposal should not disproportionately impact any particular one and therefore all festive and seasonal lights which include Christmas and Diwali lights should cease. Opportunities for sponsorship funding can be explored.
P6	Closure of Fryers Road and Merchants Way Household Waste Recycling Centres for 1 day (7 to 6)	A	No major change required.

2.6 There are 4 operational proposals requiring an EqlA for implementation in 2024/25 period of which 2 are under review as they are either in progress and subject to ongoing consultation and engagement activities or are about to be assessed due to timing reasons (i.e. a later than April 2024 implementation date).

2.7 The 4 operational ones were reviewed as follows:

Ref Number	Proposal	EqIA outcome	Update / Comments
OP3	Arena restructure	A (Organisational Change)	No major change required
OP10	Libraries partnership with voluntary sector	B (Policy, Procedure, Strategy) TBC (OC)	<p>Subject to continued consultation and engagement. Both EqIAs are linked, and any impact will be reviewed by the end of February after the consultation and engagement phase and adjustments will be reported through corporate equality group monitoring.</p> <p>To remove any potential barriers the following adjustments are proposed in the Action and Monitoring Plan:</p> <ul style="list-style-type: none"> • VCS partnership agreements will be created for: <ul style="list-style-type: none"> - Provision volunteers at times where libraries require support in future (e.g. Saturdays) - Home and mobile library transport based on demand • Rationalisation of opening hours based on demand. • Take advantage of new systems, like self-management of volunteers' time (database they fill out themselves about their availability and match with location). • Developing 'library hub/s'(similar to locality model in some community libraries). • Tri-party agreement with Team Walsall about volunteering resource. • Extending the current offer for supported internships. • Developing a number of apprenticeships.

Ref Number	Proposal	EqlA outcome	Update / Comments
OP12	Non-Statutory Training in Community and Partnerships	TBC (PPS)	Subject to consultation and engagement. The survey ends on 31 January 2024.
OP16	Community reablement service	B (PPS)	<p>This is a pilot service for community reablement which will support the re-commissioning of reablement in the community and home care effective from 1st April 2025. The service is available to any Walsall person who meets the agreed criteria for accessing this support. The development of the associated service specifications will actively consider how protected characteristics are incorporated into service delivery through actioning wider EqlAs that are associated with the recommissions/pilot.</p> <p>To remove any potential barriers the following adjustments are proposed in the Action and Monitoring Plan:</p> <ul style="list-style-type: none"> • To ensure EqlAs for re-commissions includes considerations linked to the community reablement business case/pilot. An individual EqlA will be done for each specific service specification. • To action the assessment process to ensure that the assessment and care/support planning processes adequately identify protected characteristics and outline an approach to meeting these associated requirements.

3. Emerging findings from the Review of EqlA

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 2024/25 budget:

AGE - Older and vulnerable people and carers

- 3.3 During our assessment of the proposed 2024/25 budget we have identified that the proposal for Street lighting dimming and trimming will proceed with careful consideration given to the locations where it would not be appropriate to implement reduced lighting which could cause potential adverse impact to older and vulnerable people in relation to the perceptions of personal safety. Therefore, the Council will work with partners to identify locations and facilities where it may not be appropriate to implement dimming and trimming of lighting. Further consideration will also be given to the impact of this service on the experiences and perceptions of safety on different protected characteristics, including age, gender, disabilities and others. A dimming and trimming trial with engagement from the public will help determine the appropriate percentage of reduction in light output for implementation.

PEOPLE WITH DISABILITIES

- 3.4 We want to ensure that Street lighting dimming and trimming does not pose adverse impact to people with disabilities including older people and those with a mobility or sight impairment. This will be mitigated through the actions specified above.

RACE AND RELIGION

- 3.5 The proposal to Cease provision of Christmas lights does not pose any adverse impact on people with protected characteristics. However, this proposal does have a potential cumulative impact across the borough. It is important to recognise that in terms of equality for all race and religious groups, it should not disproportionately impact any particular one. Therefore, we are minded to cease provision of all festive and seasonal lights which include Christmas and Diwali lights. Opportunities for sponsorship funding can be explored and if obtained, the festive lights could be retained in the near future.

SEX

- 3.6 In relation to the proposal for Street lighting dimming and trimming (as explained above), careful consideration is being given to the potential adverse impact that reduced lighting could have on certain groups. For example, the impact this could have on the safety of females in particular locations where services used predominantly by females and children are based. This will be considered and mitigated through the actions specified above whilst taking into account any vulnerable locations that this decision may adversely impact by making it unsafe when considering the dimming and trimming of street lighting.

OTHER – COUNCIL TAX & FEES AND CHARGES

- 3.7 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 and 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.

- 3.8 There are other fees and charges for services that will be increased to generate the savings proposed. These increases are in line with inflation with the aim of minimising the impact; however, any increase in fees and charges will inevitably affect all those in and out of the borough who pay to use a specific service(s). Any potential negative impacts will be mitigated for generally by the council's response to the cost-of-living crisis and any support that is put in place to help residents deal with this. Where concessionary rates on fees or charges are offered to certain groups (e.g. for children or older people), this will continue to be the case.

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 Strategy and Policy Unit has engaged with proposal holders, working with them and their proposals to ensure that equality is being considered throughout the process.

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 Corporate Management Team (CMT), where updates will be provided as appropriate.
- 5.2 The Strategy and Policy Unit 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, 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.

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**

2024/25 to 2027/28

February 2024

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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 2024/25 and the following three years to 2027/28 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 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. The theme of the council plan is Positivity and Accountability, drawing and building on the strong partnerships, resilient staff and strong community relationships developed over the past few years.

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

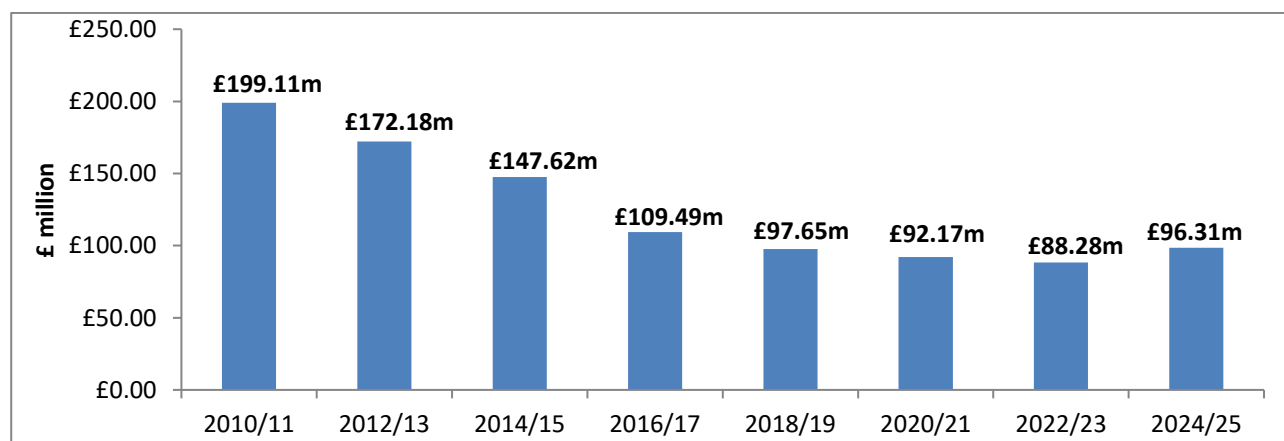
The council will be a key enabler of improvements to Walsall and its' Districts as a place to live, learn and work; working innovatively and collaboratively with strong and resilient communities, public sector partners, schools and businesses to shape services that deliver real and sustainable improvements 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 2024/25, government has cut core grant funding by c£102.8m. *This equates to a real terms cut of 23.5% or £851 per household.* Alongside cost pressures over the same period, savings totalling over £285m have had to be identified and implemented.

Government Funding 2010/11 to 2024/25



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. Government announced only a one-year local government finance settlement for 2023/24, which 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 2024/25 would not be introduced. Both of these changes are still under review by government but is not known 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 provisional settlement for 2024/25, announced on 18 December 2023, leaves considerable uncertainty in respect of the amount of income we will receive in government funding from 2025/26 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 2024/25 onwards until we are provided with any further direction.

The future financial environment continues to be challenging for councils for 2025/26 and beyond, with significant uncertainties in future grant, both core and specific, alongside continuing cost pressures in relation to the cost of living and demand within social care.

The council's second largest source of funding is council tax (19.56% 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 4.99% in 2024/25 (in line with referendum principles announced in the provisional settlement on 18 December 2023) and 2.99% in the following 3 years. Government guidance allows councils with social care responsibilities to increase the adult social care precept by a further 2% per year, which is included for 2024/25.

2. Cost of Living

2023/24 has again been a particularly challenging year, with the impact of the ongoing 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 and social care placement costs due to rising prices and inflationary increases. Actions have been reported regularly throughout 2023/24 to Cabinet and these actions continue to ensure that the budget is balanced for 2023/24, with a sufficient level of reserves to manage existing liabilities and any potential new risks which may arise in 2024/25. Where pressures are forecast to continue into 2024/25, they are incorporated into the draft investment shown at **Annex 5** of this report, particularly:

- Investment No. 2,3,4 - £269k for contractual inflation on Urban Traffic Control, Traffic Control and Highways Maintenance (£743k over 4 years);
- Investment No. 11 - £7.00m contract price uplifts in Adult Social Care for under 65's not covered by Fair Cost of Care (£14.6m over 4 years);
- Investment No. 12 – £1.3m Adult social Care affordability model including contractual inflation for Housing 21 (£2.1m over 4 years);
- Investment 38 - £112k for contractual inflation in Coroners (£154k over 4 years);
- Investment No. 57 - £8.1m pay and pension (£31.8m over 4 years);

- Investment No. 59 – £1.3m cost of living/demand provision (£4.5m over 4 years) held centrally;
- Investment No. 76 - £3.5m inflationary increases for external framework placements (£14.9m over 4 years);
- Investment No. 82 - £320k for contractual inflation – household waste recycling centre haulage and management (£470k over 4 years);
- Investment No. 95 - £883k other contractual implications within Economy, Environment and Communities (£1.6m over 4 years).

The 2023/24 budget was predicated on delivery of £15.71m 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, along with £7.55m of benefits approved to be carried forward from 2022/23, giving a total benefit figure of £23.26m to be achieved. In year service pressures, including the impact of cost of living, have had some continuing impact on the delivery of savings. As a result, £10.33m (44.41%) of savings have been impacted, with £5.20m being removed from the budget in 2024/25 and the remaining £5.13m carried forward to be delivered in 2024/25. 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 impact is factored into the financial plan for 2024/25.

3. Demand and other cost pressures

Alongside reductions in funding, the council has also faced increasing cost pressures due to both increasing and changing 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. This will impact all services through pay, energy, street lighting, fuel, borrowing rates, pay, contracted services, and also take up of council services as a result of less disposable income etc;
- Changes in core government grant funding, for example:
 - Unknown impact of the review of full business rate retention (BRR) and the future review of Relative Needs and Resources (formerly the Fair Funding Review) and reports that public sector funding will reduce beyond 2024/25, inevitably placing a squeeze on council’s funding.
 - Continuing one year settlements, making future financial planning difficult.
 - Continuation or otherwise and the level of 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 (partly linked to cost of living) and the likely ongoing post covid impact 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 £37.30m from £68.70m in 2017/18 to £106.00m in December 2023 – an increase of 54.29%.
 - Children and young people in care – in 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 2023, numbers had risen to 1,090 (658 children in care / 432 other support) with average costs of £1,779 per week for children in care and £573 per week for other support. Placements costs have risen by 142% in the past four years whilst children in care numbers have increased by 2%.

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 £5,858 in November 2023. The number of children has also increased from 32 in March 2018 to 78 in November 2023. 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 short term grants and an individual council's ability to raise income through council tax increases, rather than providing national ongoing funding to support social care pressures, etc.
- Impact of the delayed adult social care reforms.

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	Medium Term Financial Framework				
		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 2024/25 Revenue Budget

The budget has been prepared for the period 2024/25 to 2027/28 and extends beyond the current Parliament. The 2023/24 position is reported regularly to Members. The current position is a forecast underspend of £62k as at December 2023, inclusive of a number of in year action plans to ensure the position outturns in line with budget by March 2024.

The focus in this plan is 2024/25, 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 2025/26 and beyond.

2.1 2024/25 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 **£152.03m**;
- A 4.99% council tax increase, equivalent to a Band D Council Tax of **£2,084.56** (excluding precepts) and **£2,375.31** (including precepts);
- Investment of **£29.89m** for Adult Social Care, Public Health and Hub cost pressures primarily to cover demographic changes and inflationary pressure;
- Investment of **£15.68m** for Children's Services, Education and Customer Engagement cost pressures primarily to cover children in care, demographic changes and contractual inflation;
- Investment of **£1.03m** for Resources & Transformation primarily linked to demand changes on Support Services and reduction in traded income within payroll and pensions and Information Governance.
- Investment of **£3.90m** for Economy, Environment & Communities primarily to cover inflationary pressures;
- Provision for other known budget pressures, including capital financing, revenue implications of capital, and pay changes of **£10.14m**;
- Bringing total investment to **£60.63m**;
- Savings of **£20.10m** (net £17.33m after £2.77m linked investment), which along with carry forward of £5.13m of savings from 2023/24, results in total savings to be delivered of £25.23m;
- 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£18.39m** as assessed and recommended by the S151 Officer.

The financial implications arising from the financing of the capital programme for 2024/25 are contained within this revenue budget.

2.2 Government central funding and Core Spending Power

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. Any changes to Business Rates Retention, or the Review of Relative Needs and Resources (formerly the Fair Funding Review) will not happen until at least 2025/26.

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 Autumn Statement on 22 November 2023 announced a number of business rates measures. This includes freezing of the small multiplier (businesses less than 51,000 RV) for a further 12 months from April 2024, and 75% business rates discount to businesses occupying eligible retail, hospitality and leisure properties in England up to a cash cap of £110,000 per business for a further 12 months from April 2024. The standard multiplier will be uprated in line with September CPI. The council is fully compensated for this loss of income through new burdens funding for administrative and IT costs. This is a technical adjustment as the council would have received the money direct from businesses if these measures had not been introduced. These were confirmed in the provisional settlement on 18 December 2023.

Walsall's principal form of funding is shown in **Table 1**.

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 it but does not control it).

Core Spending Power for 2024/25 consists of:

- Settlement Funding Assessment (which consists of Revenue Support Grant, which Walsall does not receive, and the baseline funding level – business rates income estimates and top up grant) and compensation for under-indexing the business rates multiplier;
- Income from council tax, assuming that councils increase it by the maximum possible;
- The New Homes Bonus;

- The Social Care Grant;
- The Improved Better Care Fund;
- Adult Social Care Market Sustainability and Improvement Fund;
- Adult Social Care Discharge Fund;
- The Services Grant;
- A Funding Guarantee, to ensure that all councils have a minimum increase of 3 per cent in core spending power before any changes in council tax levels are taken into account.

The provisional settlement announced an increase in Core Spending Power (CSP) for local authorities in England from £60.20bn in 2023/24 to £64.10bn in 2024/25; real terms increase of 6.5% (£3.9bn). 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, £2.1bn (53.8%) of the £3.9bn spending power increase comes from council tax.

The provisional settlement on 18 December 2023 summarised Walsall's change in spending power as an increase of £19.86m (6.5%) as set out in **Table 1a**.

Table 1a: Government Core Spending Power			
	2023/24	2024/25	Variance
	£m	£m	£m
Top Up	20.45	22.08	1.63
Business Rates	77.96	80.92	2.96
Total Settlement Funding Assessment (SFA)	98.41	103.00	4.59
Compensation for under indexing	13.21	15.86	2.65
Council Tax Requirement	144.16	152.33	8.17
Improved Better Care Fund	14.18	14.18	0.00
Social Care Grant	24.50	29.14	4.64
New Homes Bonus	0.01	0.31	0.30
Market Sustainability & Improvement Fund	3.35	6.26	2.91
Adult Social Care Discharge Fund	1.99	3.31	1.32
Grants rolled into MSIF in 2024/25 – Adult Social Care Workforce	2.18	0.00	(2.18)
Services Grant	3.02	0.48	(2.54)
Core Spending Power	305.01	324.87	19.86

In summary, allocations are as follows:

- Additional £1.63m in top up grant. 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 (need) level than the business rates they can collect and will be paid a top up grant from government to meet the shortfall.
- Business rates – whilst the government estimates £80.92m of income collectable, this estimate does not account for the local circumstances and decisions which feed into the statutory business rates return which is required to be used in 2024/25 council tax setting. This includes the need to account for an element of bad debt and successful appeals, and the impact of the smoothing of the last year of the 3-year smoothing flexibility provided by government in relation to deficits on the collection fund arising from the pandemic. The statutory return also includes the carry forward of the 2023/24 deficit on the collection fund. The result of this is that the £2.96m increase is not accurate.

- Compensation for under indexing - £2.65m – this is a technical adjustment as we would have received this money from business rates income. This is a technical adjustment as the council would have received the money direct from businesses if these measures had not been introduced and therefore does not represent additional income.
- Council tax requirement – the Settlement increase figure of £8.17m in the table above will have been adjusted to reflect the movement in the net council tax requirement by year. This allows for increases in council tax by the full 4.99% allowable and assumes a higher than actual collection rate and growth in the council tax base, therefore actual income is forecast to be lower by £67k. As such, this funding is collected by the council in relation to local council tax decisions, and is not funding provided by the government;
- £8.88m in additional grant (above 2023/24 levels) for Children’s and Adult Social Care in 2024/25, consisting of:
 - £4.64m for additional Social Care Grant (SCG) funding, of which £3.86m was previously published, resulting in £788k of additional grant above known allocations;
 - £2.91m for additional Market Sustainability and Improvement Fund over 2023/24, of which £2.18m is rolled in grant for ASC Workforce, resulting in an increase of £733k of grant against 2023/24 allocations;
 - £1.32m for ringfenced ASC discharge funding, with a requirement to be pooled into the BCF. This is no change to published allocations.
- New Homes Bonus legacy payments – an increase of £299k. The Medium-Term Financial Outlook (MTFO) assumed £600k therefore £300k less than actual grant;
- Services Grant – a reduction of £2.55m.

Whilst the provisional settlement initially appears to be favourable compared to the MTFO, once government estimates are replaced with local council tax base and business rates actual figures, the Settlement has not been favourable. Additionally, most social care grant allocations for 2024/25 were published in 2022/23 as part of a 2-year allocation and were therefore already included within the MTFO and the gap reported in December to Cabinet. Whilst there has been some increase in social care grants, this has been fully offset by loss of £2.54m of services grant, meaning that overall no additional funding has been provided to Walsall over and above those published in 2022.

After factoring in local estimates of business rates and council tax, including business rates deficits carried forward from 2023/24, as opposed to government estimates, the CSP increase is c4.9% (£14.98m) as shown below.

Table 1b: Core Spending Power adjusted for local business rates figures				
	2023/24	2024/25	Variance	Var.
	£m	£m	£m	%
Core Spending Power	305.01	324.87	19.86	6.5
Less:				
Adjustment to reflect actual business rates per NNDR1 Return		(4.88)		
Adjusted Core Spending Power increase	305.01	319.99	14.98	4.9
Of which funded from local council tax increase of 4.99%		(7.87)		
Core Spending Power received from Government	305.01	312.12	7.11	2.3

Additionally, of the 4.9% / £14.98m increase, 47% or £7.87m of this is funding directly from the council tax base and proposed 4.99% council tax increase. As such, adjusting for this, the government is providing a CSP increase of only 2.3% or £7.11m.

Walsall has responded to the Settlement consultation to highlight this.

Additional Funding announced 24 January 2024

The Government announced a package of £600m of additional funding support to Local Authorities on 24 January 2024. This included –

- A further £500m allocated to the Social Care Grant, to support authorities with social care responsibilities, in view of the significant pressures in social care – particularly children’s social care.
- An increase in the funding guarantee so that all local authorities will see a minimum 4% in their Core Spending Power, before taking any local decisions on raising council tax.
- Providing an additional £15m for the Rural Services Delivery Grant.
- Providing £3m to councils with extreme Internal Drainage Board Levies.

It is expected that Walsall will receive a share of the £500m for increase in Social Care grant only, but we await confirmation as part of the final settlement to be announced early February 2024.

The Government are asking local authorities to produce productivity plans by July 2023 which will set out how they will improve service performance and ensure every area is making best use of taxpayers’ money. The Government will monitor these plans, and funding Settlements in future years will be informed by performance against these plans. They are also establishing an expert panel to advise the Government on financial sustainability in the sector which will include the Office for Local Government and the Local Government Association. Details of the full requirements is expected in the final settlement.

The Government also announced that they are committed to reforming the local government funding landscape in the next Parliament, and the Minister for Local Government will be engaging with the sector on this over the coming months, where they are keen to hear views and ideas regarding the future of local government finance.

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 has been 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 2024/25, as announced on 18 December 2023, confirmed the council tax referendum limit of up to 5%, inclusive of 2% for the social care precept. This would mean that if a local authority seeks to raise its relevant basic amount of council tax by 5% or more for 2024/25, 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 2024/25, Walsall proposes to increase the council tax by the full 4.99% permitted.

This increase equates to a council tax increase of £1.90 per week or 27p a day for a band D property or a £1.27 increase per week (18p per day) for a band A. 67.39% of residents are in band A and B increasing to 83.50% 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.

Table 2: Levies 2024/25				
Levy	2023/24 £	2024/25 £	Increase / (Decrease) £	Increase / (Decrease) %
West Midlands Combined Authority Levy (Transport)	11,614,174	11,907,475	293,301	2.52
Environment Agency	86,505	86,505	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.

Table 3: Precepts 2024/25				
Precepting Authority	2024/25 Amount £	Band D 2024/25 £	Band D 2023/24 £	Band D Increase %
WM Police and Crime Commissioner	15,720,661	215.55	202.55	6.42
WM Fire and Rescue	5,484,545	75.20	73.02	2.99

Table 4 shows the council tax calculation at Band D.

Table 4: Net Council Tax Requirement and Council Tax Levels 2024/25		
Element of budget	2024/25 budget £	Council Tax Band D £
WMBC element - required from council tax	152,032,424	2,084.56
Police & Crime Commissioner precept	15,720,661	215.55
Fire & Rescue precept	5,484,545	75.20
Total from council tax	173,237,630	2,375.31

NB: based on an approved council tax base of 72,932.78 band D equivalents.

2.5 Net Council Tax Requirement

The gross revenue expenditure budget for 2024/25 will be **£777.29m**, and gross income will be **£625.26m**, resulting in a net council tax requirement of **£152.03m**.

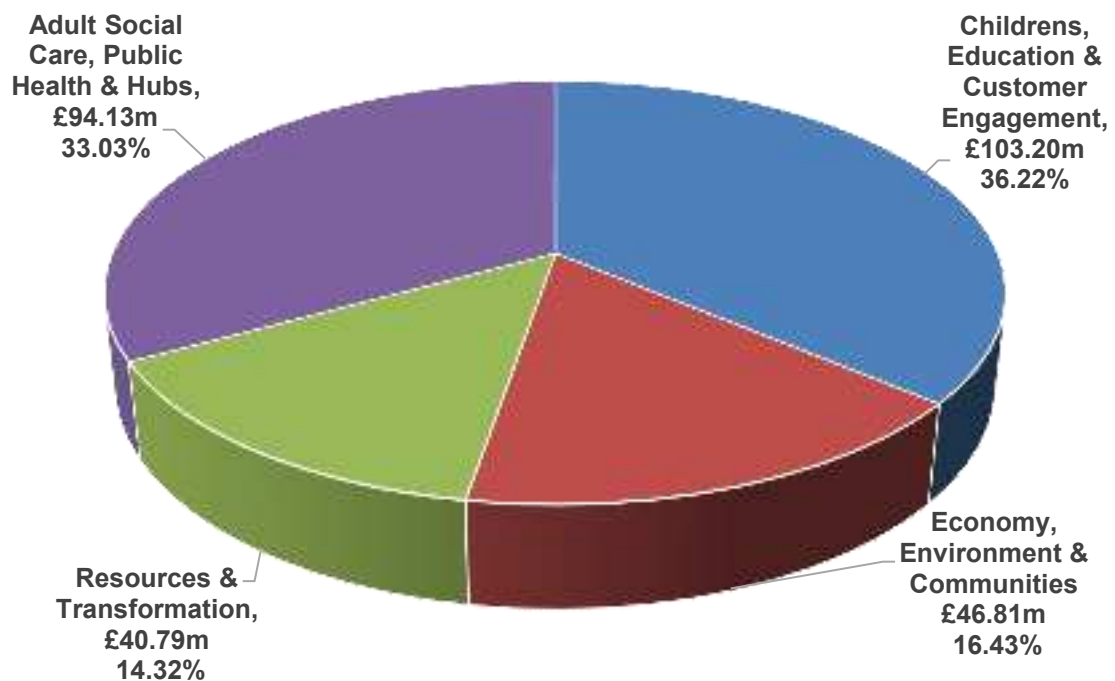
It has been possible to commit to **£63.41m** of investment (£60.63m new growth and £2.78m investment linked to savings), to address key priorities in 2024/25, funding of essential cost and demand pressures, provision to fund inflationary pressures (i.e. pay and contractual) and corporate cost pressures 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 £2,084.56, representing an increase of 4.99% from 2023/24 levels. This increase is in line with core referendum principles, including 2% for the adult social care precept. Most properties in Walsall (67.39%) are in bands A or B (**Annex 3**).

The change in council tax requirement from 2024/25 to 2027/28 is shown in **Table 5**.

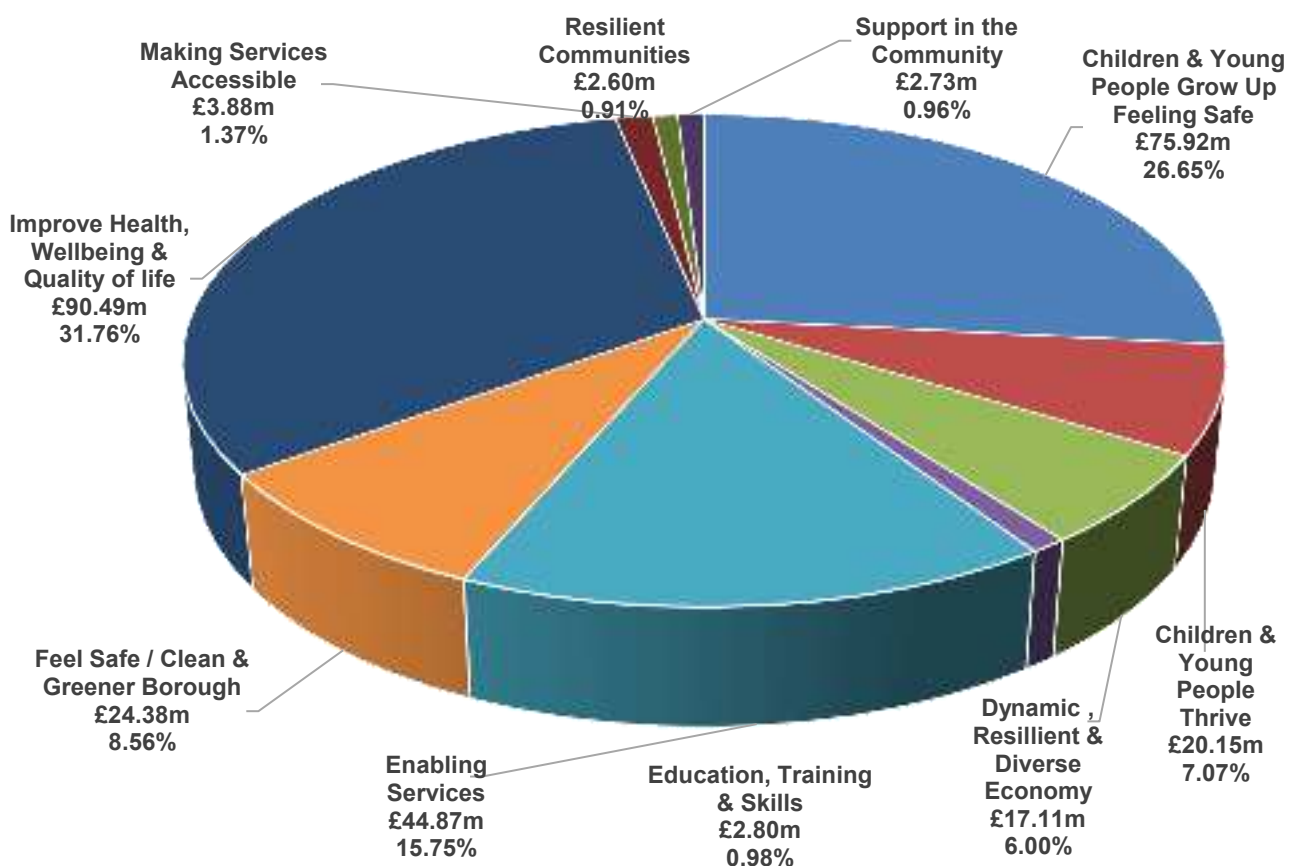
Table 5: Council Tax requirement				
	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m
Council tax Requirement	144.16	152.03	157.65	163.47
Cost Pressures:				
Growth / Investment (Annex 5)	60.63	28.08	25.87	19.49
Savings / efficiencies identified (Annex 6)	(20.10)	(9.37)	(8.11)	(6.72)
Investment linked to savings (Annex 6)	2.78	1.43	0.24	0.08
Other savings to be identified	0.00	(23.19)	(13.97)	(6.30)
Other movements / funding changes:				
Other changes including base budget adjustments, grants, income	(7.56)	(0.33)	(0.42)	0.85
Core Funding changes	(8.19)	(4.23)	(1.87)	(1.88)
Collection fund (surplus) / deficit	0.87	0.35	0.00	0.00
Transfer to / (from) reserves - see table 11 below	(20.55)	12.87	4.08	0.50
Revised Council Tax Requirement	152.03	157.65	163.47	169.50
Council Tax Increase – General	2.99%	2.99%	2.99%	2.99%
Council Tax Increase – Adult Social Care precept	2.00%	0.00%	0.00%	0.00%

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 the 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. 2023/24 was the last year of this arrangement and impacts 2024/25 due to the requirement to include any cumulative collection fund deficit in the budget for the following year.

The assessment undertaken in January 2024, calculated the following:

- Council tax - an estimated in year 2023/24 surplus of £1.09m for Walsall (total estimated surplus for 2023/24 of £1.23m including precepts). A brought forward cumulative surplus of £479k from 2022/23 (total actual surplus of £543k including preceptors), payments from the collection fund totalling £1.22m to the council and £161k to preceptors means there is a net surplus of £349k for Walsall (total actual net surplus for 2023/24 of £394k, less the required contribution of £45k to the West Midlands Police and Fire & Rescue);
- Business rates – an estimated in year 2023/24 deficit of £3.78m for Walsall (total estimated deficit for 2023/24 of £3.81m including precepts). A brought forward total deficit of £6.03m from 2022/23 and payments from the council and preceptors in relation to this deficit of £4.57m means there is an estimated in year deficit of £3.78m (£3.81m including West Midlands Fire and Rescue). This results in a cumulative carried forward deficit into 2024/25 totalling £5.22m for Walsall (£5.27m including West Midlands Fire & Rescue).

Changes to council tax base

Council tax base is to be set at 72,932.78 Band D equivalents (72,608.66 in 2023/24). 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 92.5% in 2023/24, down from 93.5% in 2022/23. 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 97.5% in 2023/24, up from 97.4% in 2022/23. Collection rates have now recovered and are 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 (full list of grants summarised at **Annex 7**):

- Dedicated Schools Grant (DSG) – £379.76m before academy recoupment (£207.82m after recoupment) – this is restricted grant and is passported directly to schools under a specified formulae. Grant is expected to increase by 9.50% between 2023/24 and 2024/25, representing an increase of £32.94m. Of this £18.21m 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 Mainstream Schools Additional Grant which has been rolled into DSG in 2024/25. A further £3.55m relates to funding for children with high needs and follows government direction over the previous three 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 £123k and funding received for early years education has increased by £11.07m which is largely due to an increase in funding rates and extended entitlements for working parents.
- 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 £19.56m for 2024/25 and is still subject to final confirmation.
- Social Care grant – funding initially announced in October 2018 to councils 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 £29.14m in 2024/25, as announced in the provisional local government settlement on 18 December 2023, an increase of £4.64m from 2023/24.
- 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. The funding 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. For 2024/25 there has been no changes to the iBCF allocation received in 2023/24 of £14.18m, as announced in the provisional local government settlement on 18 December 2023.
- Market Sustainability and Improvement 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, 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 was rolled into a new ASC Market Sustainability and Improvement Fund, and an additional £400m was announced to address issues such as discharge delays, social care waiting times and low fee rates. For 2024/25, the ASC Workforce grant of £2.17m was also rolled into this fund, resulting in a revised Walsall’s allocation of £6.26m, as announced in the provisional local government settlement on 18 December 2023, an overall increase of £734k from 2023/24.

- Adult Social Care Discharge Fund - a new £300m allocation announced for 2023/24. This funding is required to be pooled as part of the Better Care Fund, subject to government conditions. Walsall's allocation is £3.31m in 2024/25, as announced in the provisional local government settlement on 18 December 2023, an increase of £1.33m from 2023/24.
- Household Support Fund - to support the most vulnerable whilst inflation continues to fall past April 2024. The Government will raise Local Housing Allowance rates in Great Britain to the 30th percentile of local market rents in April 2024. 1.6 million families will be better off, gaining £800 on average in 2024/25. This comes on top of all working age benefits being uprated in full by September 2023 CPI of 6.7%, for 2024/25. We continue to keep options under review as we take tough decisions to drive down debt and halve inflation. No new decision has been taken about the future of the Fund, and therefore our MTFO assumes that funding will cease from 2024/25.
- Local Stop Smoking Services and Support Grant – new s31 grant announced for 2024/25 to 2028/29. Walsall's allocation is £368k for 2024/25. We await grant conditions.
- 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. It is paid annually from a top slice of national Revenue Support Grant. The provisional local government settlement on 18 December 2023 confirmed that there will be no legacy payment of New Homes Bonus, which is being used to fund the Funding Guarantee Grant (funding to authorities whose Core Spending Power is below 3%). For 2024/25 there is a £299k increase in the grant taking the grant to £309k.
- Services Grant - this grant was originally for 2022/23 only and was un-ringfenced with no reporting conditions attached. The grant continues into 2024/25, however it has been significantly reduced from £3.02m to £476k, as announced in the provisional local government settlement on 18 December 2023, to pay for other parts of the Settlement. Original expectations was this would be redistributed, with no net reduction in funding overall – this has not happened locally.
- Housing Benefit grant of £57.27m, expected to reduce annually as we continue the move to Universal Credit. Any change is a net nil impact to the authority;
- Other grants are expected to continue at current levels – these include specific grants for schools (Pupil Premium, 6th 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 2024/25 – 2027/28 includes provision for investment and cost pressures (c£61m in 2024/25 and a further c£73m 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. Further investment of £4.5m over the 4 year period are linked to savings proposals, as shown in **Annex 6**.

Primarily, investment covers:

1. *Provision for pay and pensions (corporate cost pressures) and contractual inflation:*
 - Annual pay increase of 4% for 2024/25 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 of between 2 to 7%, depending on the individual contract e.g.:
 - Social Care uplifts - based on average 6.99% across care types reduced for market management of new client rates for 2024/25, and then 2% from 2025/26 onwards;
 - Housing 21 - 4.3% and then 2.5% from 2025/26 onwards;
 - Intermediate Care - 8% for 2024/25 and then 4% from 2025/26 onwards;
 - Foster Care & Special Guardianship of 2%;
 - Placement costs of 6%;
 - Waste, Traffic Control, Highways Maintenance and Coroners – 3.9% in 2024/25, 2.7% in 2025/26, 1.4% 2026/27 and 2% 2027/28.
 - 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 18 December 2023.
 - Investment to vulnerable residents 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 through transformation activity.
 - Reinstatement of some 2023/24 approved savings, e.g. staff car parking due to equality impact (£18k), rewilding of urban grassed areas (£302k), increased recycling rates (£382k) and residual garden waste disposal (£30k) following review, and Household Support Fund now the grant is ceasing (£280k) – these have been replaced with alternative savings;
 - Reductions in grants such as housing benefit administration grant.
 - Reduction in traded services income from schools (Schools attendance services, payroll and pensions, information governance).
 - Continued funding of Crisis Support.
 - Recruitment and retention, particularly within adults and children’s services.
 - Review of Digital and Technology infrastructure requirements including Mosaic case management, Cloud/ licences, and associated resources.
 - Review of resources within support services (Digital and Technology, Human Resources Specialist Services, Finance).
4. *Other central provisions:*
- Review of the capital financing, treasury debt and investment portfolio.
 - Revenue implications of the capital programme.

Table 6 summarises growth / investment identified for 2024/25 to 2027/28 by directorate.

Table 6: Growth / Investment by directorate					
Directorate	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Adult Social Care, Public Health & Hub	29.89	9.29	5.19	4.89	49.26
Children's, Education & Customer Engagement:					
- Children's Services	13.68	7.35	6.91	7.24	35.18
- Customer Engagement	2.00	0.07	0.07	0.07	2.20
Economy, Environment & Communities	3.90	0.62	0.41	0.51	5.44
Resources and Transformation	1.03	0.49	0.03	0.00	1.55
Central / Capital Financing	10.14	10.26	13.27	6.78	40.44
Total	60.63	28.08	25.87	19.49	134.07

2.9 Savings requirement

For 2024/25 and future years, the council's medium term financial outlook 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 up to £87.76m as follows:

- 2024/25 - £20.10m (with linked investment of £2.78m) – savings have been identified to fully offset this and these are included within Annex 6 of this report. As stated above, £5.13m of 2023/24 savings will be carried forward for delivery in 2024/25, resulting in total savings to be delivered of £25.23m;
- 2025/26 - £32.56m (with linked investment of £1.43m). £9.37m of savings have been identified, leaving a potential balance of £23.19m to identify. This gap, however, includes potential pressures of £5.76m from 2024/25 which have been funded from reserves, to allow time for adults and children's to develop revised demand management and transformation plans to manage these – these will be reviewed as part of the budget setting process, which should reduce the gap further to a more manageable £17.43m.
- 2026/27 - £22.08m (with linked investment of £243k). £8.11m of savings have been identified, leaving a potential balance of £13.97m to identify.
- 2027/28 - £13.02m (with linked investment of £84k). £6.72m of savings have been identified, leaving a potential balance of £6.30m to identify.

2.10 Walsall Change Activity and Savings

Walsall Proud (WP) was launched in 2019 and set out an extensive and ambitious change agenda and initiatives designed to modernise the way the council works and deliver improved services to customers. This 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; set to last well beyond the term of the programme and 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 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 transformation, Walsall Proud 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 remained 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;
- Commercial Strategy (previously Income Generation & Cost Recovery)
- Adult Social Care – Continuous Improvement Programme.

The Proud business case set out up to £70.26m of ongoing saving opportunities, of which savings identified 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 by the end of 2021/22 and were therefore carried forward from 2021/22 to 2022/23.
- Approved for delivery during 2022/23 - £18.86m. Of this £7.55m remained undelivered at the end of 2022/23 and has been carried forward from 2022/23 for monitoring of delivery in 2023/24.
- Approved for delivery in 2023/24 - £15.71m, of which £5.48m has been reinstated as investment as part of the 2024/25 budget (in this report);
- £1.99m of benefits identified but not approved;
- Identified for delivery in 2024/25 - £20.10 (in **Annex 6** of this report).
- Totalling £78.99m.

Of the above, £53.76m will have been delivered by 31 March 2024. Taking into account carry forward of £5.13m of undelivered savings from 2023/24 along with £20.10m of new savings in 2024/25, this equals £78.99m, therefore the original target will have been met and exceeded by the end of 2024/25 (subject to the full delivery of savings as set out in this report).

New savings of £20.10m have been identified for 2024/25 and these are summarised in **Annex 6**, split into the following 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 £373k in 2024/25 (£453k over the four years) with linked one off investment of £40k in 2024/25;
- B. Operational Proposals** – savings which officers have delegations to implement; examples include restructures, back office savings, operational efficiencies. These total £19.73m in 2024/25 (£43.85m over the four years) with linked investment of £2.74m (£4.54m over the four years).

Table 7 summarises savings identified for 2024/25 to 2027/28 by directorate.

Table 7: Summary of savings by directorate					
Directorate	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Adult Social Care, Public Health and Hub	(5.69)	(3.65)	(3.23)	(3.19)	(15.75)
Children's, Education and Customer Engagement:					
- Children's Services	(3.66)	(5.26)	(4.64)	(3.48)	(17.04)
- Customer Engagement	(0.43)	(0.21)	(0.22)	(0.02)	(0.89)
Economy, Environment and Communities	(2.94)	0.23	(0.03)	(0.03)	(2.76)
Resources and Transformation	(1.68)	(0.49)	0.00	0.00	(2.17)
Central / Capital Financing	(5.70)	0.00	0.00	0.00	(5.70)
Total	(20.10)	(9.37)	(8.11)	(6.72)	(44.31)

Directors and their Heads of Service were tasked with updating service delivery and transformation plans and aligning these with Council priority outcomes as per the Council Plan, allowing 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 2025/26 onwards.

Table 8 shows net investment (investment less savings) for each directorate indicating significant net investment overall of £43m in 2024/25, specifically into the key priority areas of Adult Social Care and Children's Services. Central investment includes £6.94m of additional pay and pension costs which will be allocated to services following a detailed review of salary budget requirements. Therefore, when central investments are taken into account, all Directorates will see a net increase in budgets.

Table 8: Net investment / savings by Directorate 2024/25				
Directorate	Investment - Annex 5 £m	Savings - Annex 6 £m	Investment linked to savings - Annex 6 £m	Net investment / savings £m
Adult Social Care, Public Health and Hub	29.89	(5.69)	0.75	24.94
Children's Services	13.68	(3.66)	1.71	11.74
Children's - Customer Engagement	2.00	(0.43)	0.00	1.57
Economy, Environment and Communities	3.90	(2.94)	0.04	1.00
Resources and Transformation	1.03	(1.68)	0.28	(0.38)
Central / Capital Financing	10.14	(5.70)	0.00	4.44
Total Net Investments by Directorate	60.63	(20.10)	2.78	43.30

Table 9 shows net investment (investment less savings) by council outcome in 2024/25.

Table 9: Net Investment / savings by Outcome				
Outcome	Investment - Annex 5 £m	Savings - Annex 6 £m	Investment linked to savings - Annex 6 £m	Net investment / savings £m
Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place	0.64	(1.04)	0.00	(0.40)
Education, training and skills enable people to contribute to their community and our economy	0.01	(0.38)	0.00	(0.37)
People can access support in their community to keep safe and well and remain independent at home	1.59	(0.43)	0.08	1.23
People are supported to maintain or improve their health, wellbeing and quality of life	29.80	(6.15)	0.79	24.45
We get things right, first time and make all services accessible and easy to use	0.24	(0.06)	0.00	0.18
The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring	11.37	(7.41)	0.28	4.23
Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential	2.04	(0.61)	0.42	1.85
Children and young people grow up in connected communities and feel safe everywhere	11.82	(3.05)	1.22	9.99
Our communities will be more resilient and supportive of each other	0.22	(0.09)	0.00	0.13
The people of Walsall feel safe in a cleaner, greener Borough	2.89	(0.88)	0.00	2.01
Total Savings / efficiencies	60.63	(20.10)	2.78	43.30

Annex 1 outlines the indicative cash limit for 2024/25 by directorate, and **Annex 2** by outcome. **Annex 4** outlines indicative cash limits by directorate over the four-year period to 2027/28, which will be amended following the identification of how ongoing savings are to be made to balance the budget in each year.

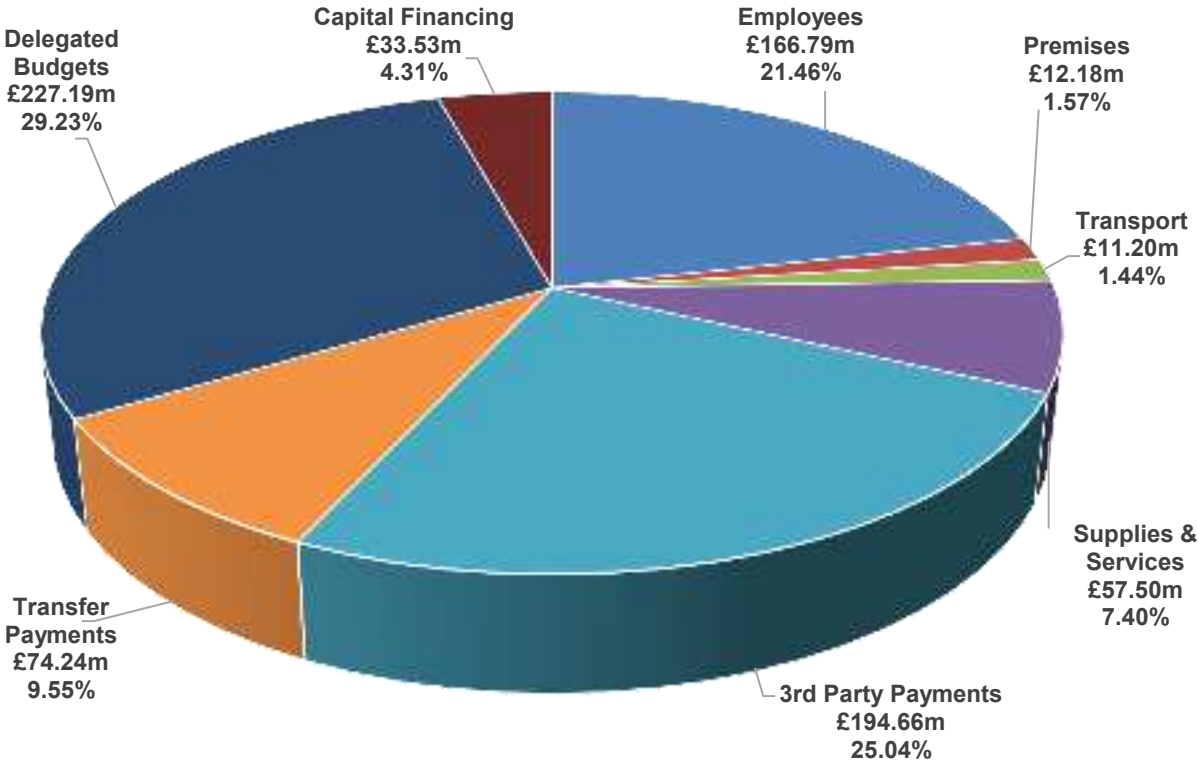
2.11 Expenditure and Income

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	166.79
Premises and Transport	23.38
Supplies and Services	57.50
Third Party Payments	194.66
Delegated Budgets	227.19
Leasing and Capital Financing	33.53
Transfer Payments	74.24
Total Expenditure (excluding Internal Recharges)	777.29

Figure 3 – Spend by Type of Expenditure

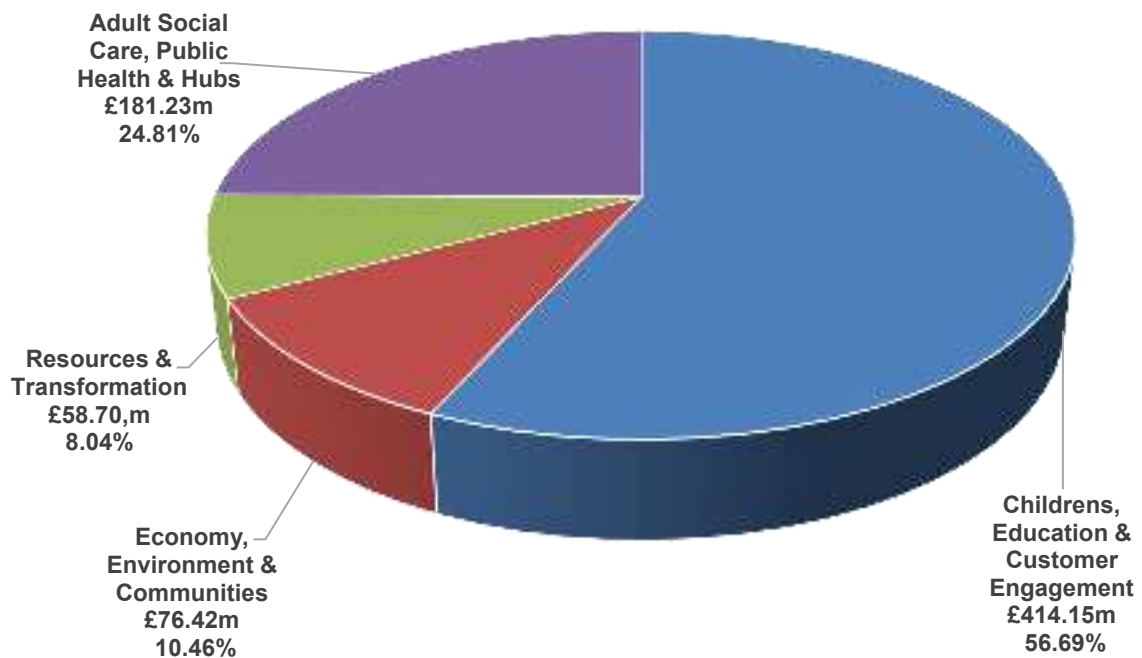


Notes

- *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.*

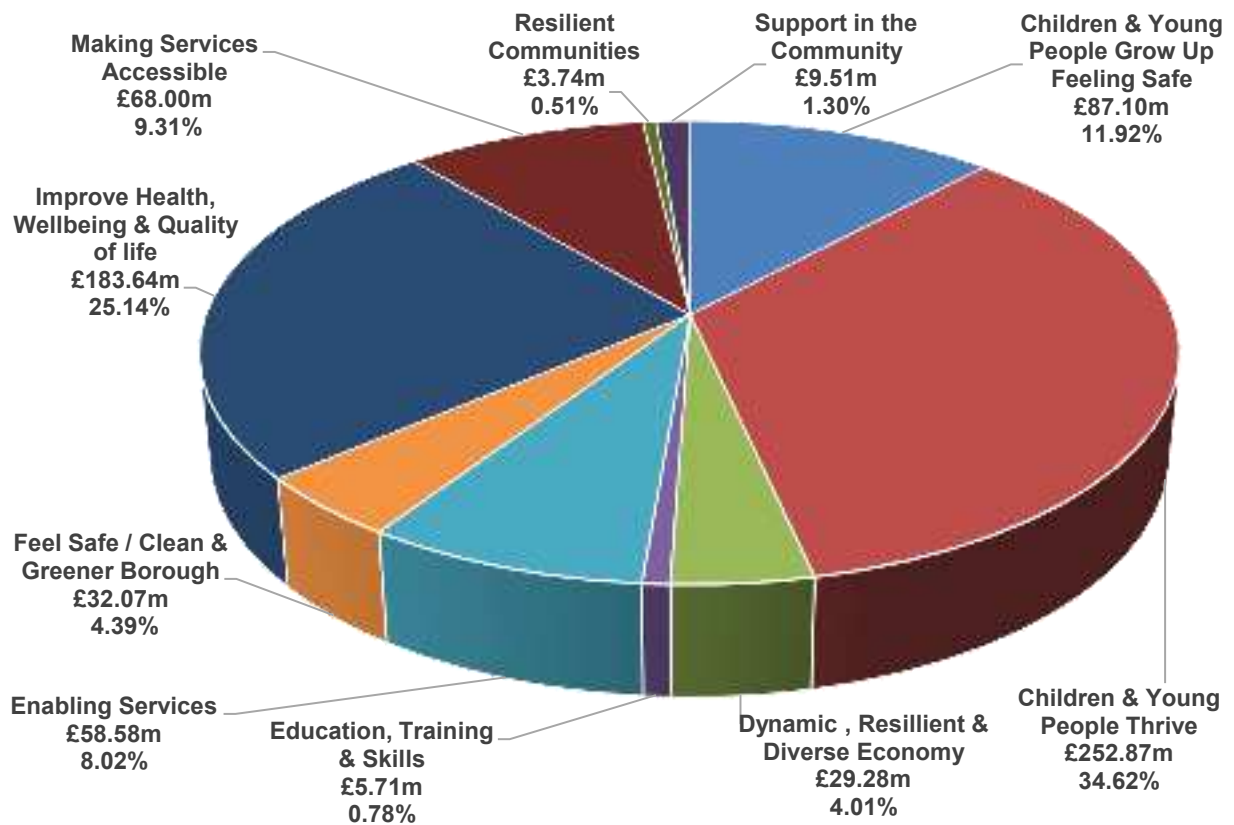
The total council expenditure is analysed by directorate in **figure 4a** and outcome in **figure 4b**. For Children’s, Education and Customer Engagement, 14.23% of the £414.15m relates to Housing Benefit payments and 54.86% relates to Schools.

Figure 4a – Gross expenditure by directorate



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

Figure 4b – Gross expenditure by outcome

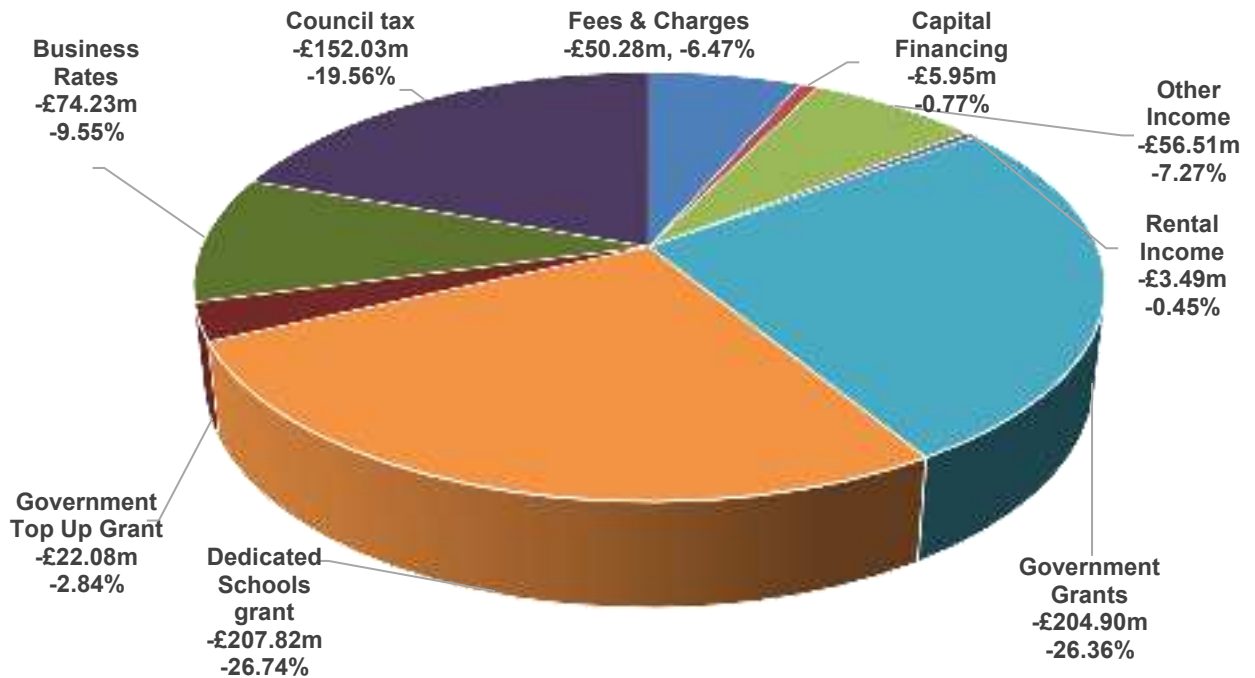


Note: Figure 4b excludes centrally held and capital financing gross expenditure budgets

Income analysis

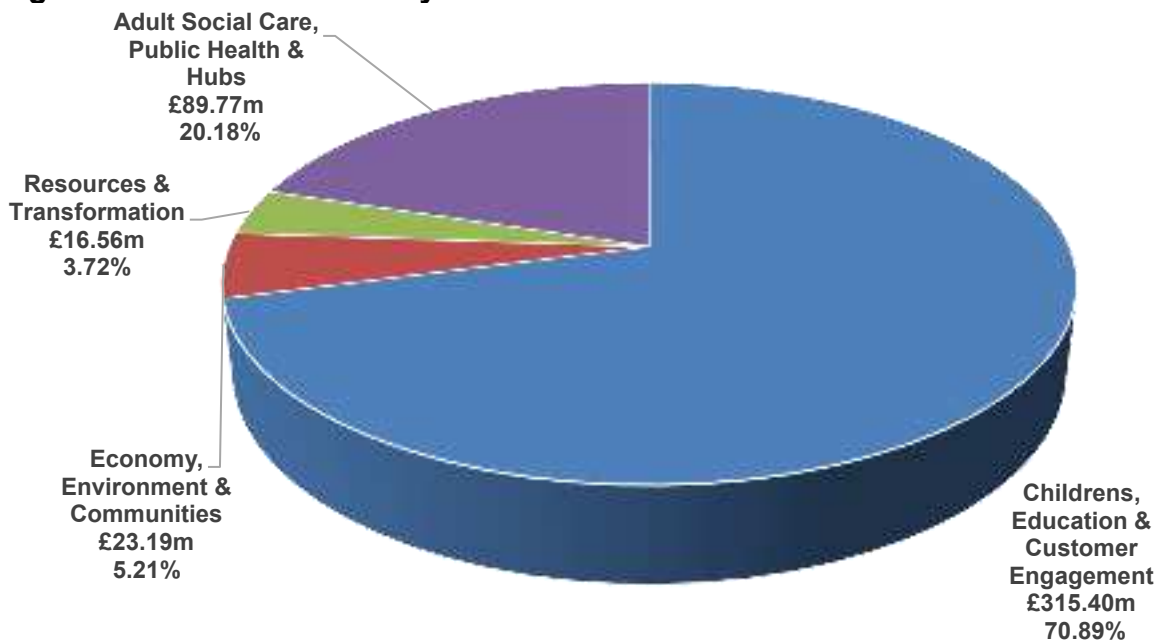
The council receives income from a number of sources including council tax, Central Government grant and specific grants to help pay for certain services including schools and social care. The council also charges for some services, such as parking, use of leisure facilities, etc. In 2024/25 the council 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



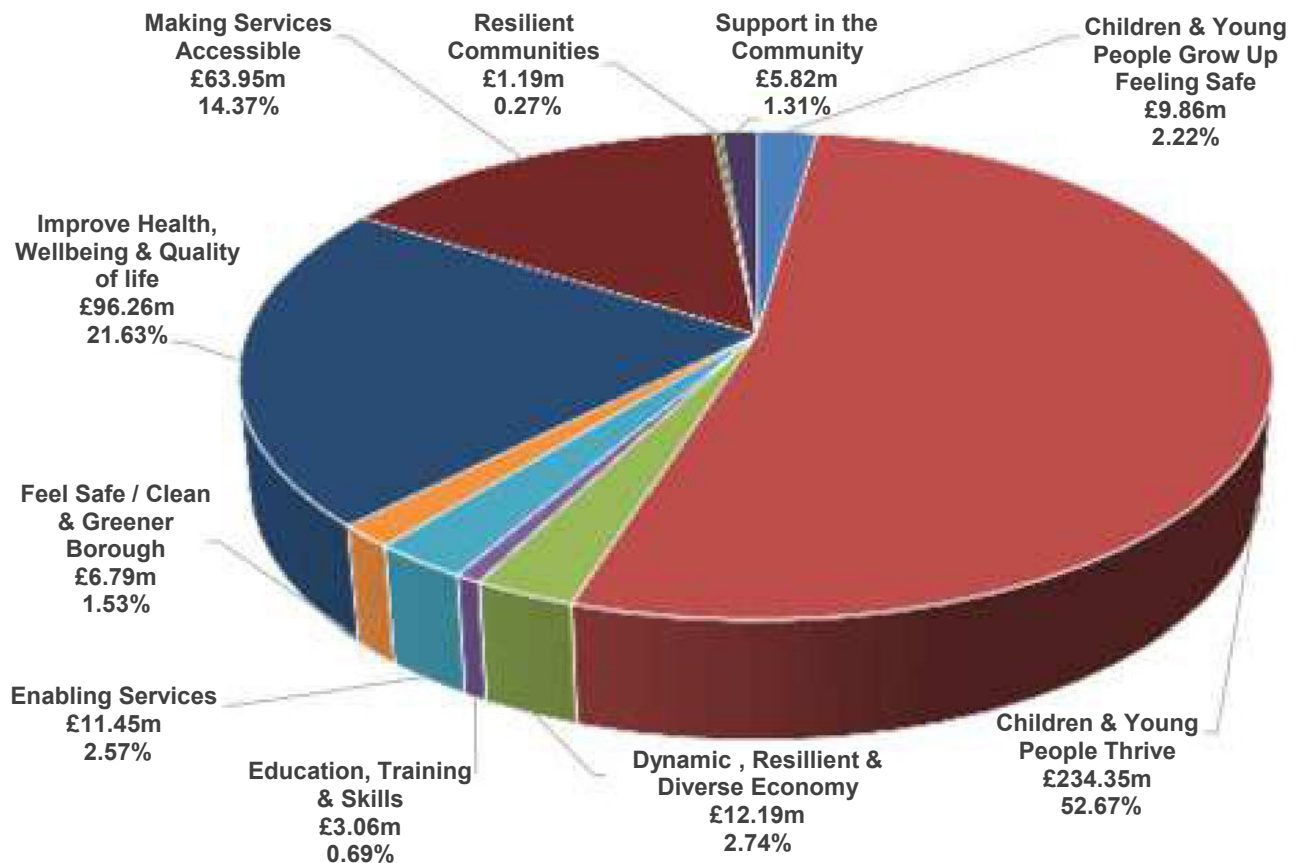
As illustrated above, revenue grants total £412.72m (£207.82m Dedicated Schools Grant, £204.90m Government Grants), and are summarised at **Annex 7**.

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 2023/24 is a key document on the publications page, and can be accessed by the following link – [Schedule of Fees and Charges 2023-24 \(walsall.gov.uk\)](https://www.walsall.gov.uk/publications/Schedule-of-Fees-and-Charges-2023-24)

This document will be updated for 2024/25 charges once they have been finalised following approval of the 2024/25 budget.

2.12 General / Earmarked Reserves and Contingencies

The council's MTFF 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 MTFF. 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 2024/25 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. In accordance with statute and best practice, the level and nature of reserves have been reviewed as part of the budget process. A number of transfers to and from reserves are included within the budget outlined in this report. These are summarised in **Table 11**.

Table 11: Net movement in earmarked reserves				
	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Reserves used to fund investment				
Inv 9 - Crisis Support	(0.50)	(0.50)	(0.50)	(0.50)
Inv 10 - Adult Social Care demand / uplifts	(3.86)	0.00	0.00	0.00
Inv 20 - Mosaic Trainer post*	(0.04)	(0.04)	0.00	0.00
Inv 21 - Additional social worker capacity within Access Care Management Localities and Complex teams*	(0.35)	(0.35)	0.00	0.00
Inv 22 - Co-production and consultation post*	(0.06)	(0.06)	0.00	0.00
Inv 25 - Revised management structure in Adult Social Care*	(0.44)	(0.44)	0.00	0.00
Inv 26 - Financial Assessment & Charging Team*	(0.32)	(0.32)	0.00	0.00
Inv 30C/D/E - Public Health	(0.30)	0.00	0.00	0.00
Inv 49 - Human Resources organisational leadership training	(0.10)	0.00	0.00	0.00
Inv 53 - Human Resources specialist services - business administration support to Children's	(0.28)	0.00	0.00	0.00
Inv 59 - Cost of living	(1.36)	0.00	0.00	0.00
Inv 60 - Home to school transport demand	(0.99)	0.00	0.00	0.00
Inv 62 - Home to school transport staffing resource*	(0.03)	(0.03)	0.00	0.00
Inv 63 - Increase staffing costs in Education, Health and Care Plan Assessment Team*	(0.07)	(0.07)	0.00	0.00
Inv 64 - Educational Psychology service to meet demand*	(0.87)	(0.87)	0.00	0.00
Inv 65 - Childrens large sibling groups	(0.32)	(0.32)	0.00	0.00
Inv 65 - Childrens remand	(0.10)	(0.10)	0.00	0.00
inv 76 - Childrens complex cases	(0.18)	0.00	0.00	0.00
Inv 100 - Adults development of service for continuous improvement, data quality, systems, policy and strategy	(0.48)	(0.24)	0.00	0.00
Reserves used to fund investment linked to savings		0.00	0.00	
Saving OP16 - Community reablement & technology*	(0.64)	(0.64)	0.00	0.00
Saving OP21 - Occupational therapists*	(0.11)	(0.11)	0.00	0.00
Other use of reserves				
Capital Financing borrowing rescheduling	(1.97)	0.00	0.00	0.00
Street Lighting	(0.45)	(0.45)	(0.45)	(0.45)
Business Rates re NAG / change of income NNDR1	(2.66)	0.00	0.00	0.00
Use of transformation reserve	(0.43)	0.00	0.00	0.00
Use of reserves included in budget	(16.90)	(4.54)	(0.95)	(0.95)
Fall out of one off use of reserves	1.19	12.37	3.58	0.00
Movement of reserves already included in budget as above	0.43	4.54	0.95	0.95
Transfers to reserves				
Business Rates fall out of one-off transfer to reserves	(5.26)	0.00	0.00	0.00
Redundancy	0.00	0.50	0.50	0.50
Net movement in earmarked reserves included in budget per table 5 above	(20.55)	12.87	4.08	0.50

Note: * These staffing investments are funded for a period of two years from reserves, allowing time for revised demand management and transformation plans for adult social care and children's to be developed and the agree the next stages of this work.

3. Summary of the 2024/25 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 £569m as at 31 March 2023. 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 2024/25 capital programme totals £166.57m, as detailed in **Annex 9**, and is presented in two parts:

- A. Council funded programme (£94.16m – inclusive of £26.27m forecast carry forward from 2023/24) - funded through borrowing and capital receipts (**Table 12 and 13**). 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 total of £100.4m was 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 (a provision of £40m was approved by Council in February 2021, with a further £30m approved by Council in February 2022, and £30m in February 2023). This provision has been increased by a further £8.6m over the period as above, resulting in a revised total allocation of £109m. This funding is 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..

Of the £109m total provision, approximately £57m has been allocated, with the remaining £52m (development investment line referred to in **Annex 9(a3)**) to be allocated. This provision is held centrally. 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 (£72.40m – inclusive of £5.50m forecast carry forward from 2023/24) - funded from capital grants and other external contributions (**Table 14**).

In addition, the council's leasing programme for 2024/25 is £1.34m, the revenue costs of which are included in the revenue budget (**Table 15**).

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 £159m of capital spending funded from borrowing (similar to the level included within this report, excluding carry forward from 2023/24) would add £1.59m 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 £63.66m of additional borrowing to fund high priority items in 2024/25 (excluding carry forwards from 2023/24).

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. The provisional local government settlement on 18 December 2023 announced an extension to the current flexibility from March 2025 to 2030, to include a wider set of eligible costs. The aim will be

for the new proposals to largely be in place by April 2024, and we await confirmation of detailed guidance following a period of consultation.

Table 12 shows planned resources to fund the council funded capital programme for the 4 years from 2024/25.

Table 12: Draft Capital Programme 2024/25 to 2027/28 (Council Funded)					
Anticipated Capital Resources	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Capital receipts projected	1.50	1.50	1.50	1.50	6.00
General borrowing as per Council 23 February 2023	4.67	4.67	4.67	4.67	18.68
Other scheme borrowing as per Council 23 February 2023	56.84	17.32	3.86	0.00	78.03
Carry Forwards from previous years - Enterprise Zones	2.71	0.00	0.00	0.00	2.71
Revenue contribution to capital - burial levy	0.02	0.02	0.02	0.02	0.08
Funding as approved by Council 23 February 2023	65.75	23.51	10.05	6.19	105.50
Reprofiling of schemes as approved by Cabinet 19 July 2023 - council funded only	14.45	27.63	13.03	0.00	55.10
Reprofiling of pipeline development to 2023/24	(3.00)	0.00	0.00	0.00	(3.00)
Adjustment to borrowing requirement	(9.30)	5.03	9.37	2.45	7.56
Forecast carry forward from 2023/24	26.27	0.00	0.00	0.00	26.27
Total Council Funding	94.16	56.18	32.45	8.64	191.44

Carry forwards from 2023/24 are estimated based on the forecast position at December 2023 (£26.27m council funded and £5.51m 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 2023/24 once finalised.

Capital Schemes

For 2024/25 services were asked to review current and future schemes included in the capital programme approved by Council in February 2023. Requests for new allocations were considered in line with council priorities and the work of the change programme. Details can be found in **Annex 9A** and are summarised by directorate in **Table 13** below.

Table 13: Capital Programme 2024/25 by Directorate (Council funded)

Directorate	Rolling Programme £m	Prior Year Approvals £m	New allocations £m	Total Council Funded £m
Adult Social Care, Public Health and Hub	0.00	0.00	0.00	0.00
Children's, Education and Customer Engagement	0.42	3.52	0.00	3.94
Economy, Environment and Communities	3.28	45.62	0.44	49.35
Resources and Transformation	0.00	17.24	1.09	18.34
Centrally held budgets *	1.47	21.08	0.00	22.54
Total Council Funded Capital	5.17	87.46	1.54	94.16

**Centrally held relates to £1.47m (inclusive of £468k carried forward from 2023/24) 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; £1.12m to fund minor capital works (inclusive of £627k carried forward from 2023/24); and a further £19.95m 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 2024/25 with indicative allocations which are subject to further review for 2025/26 onwards.

Externally Funded Programme

Full details of externally funded schemes are found in the capital programme at **Annex 9B** and are summarised in **Table 14** below for 2024/25. 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 council match funding already approved. If grant or council funding is unavailable then the scheme will not go ahead.

Table 14: Externally Funded Capital Programme 2024/25 by Directorate			
Directorate	Government Funding £m	Third Party / External* £m	Total Funding £m
Adult Social Care, Public Health and Hub	0.89	0.00	0.89
Children's, Education and Customer Engagement	19.61	0.00	19.61
Economy, Environment and Communities	31.81	0.00	31.81
Resources and Transformation	15.32	4.78	20.10
Centrally held budgets	0.00	0.00	0.00
Total Externally Funded Capital	67.62	4.78	72.40

**Walsall is Accountable Body for Growing Places and Land & Property Investment Fund*

Combined Capital Programme

The list of capital schemes included in the capital programme for 2024/25 to 2027/28 are shown in **Annex 9. Table 15** shows the combined capital programme against predicted available resources. **Table 16** summarises the capital programme by directorate, and **Table 17** by council outcome.

Table 15: Capital Programme					
	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
<u>Anticipated Capital Resources</u>					
Council resources as shown in table 12	94.16	56.18	32.45	8.64	191.45
External Funding	72.40	46.91	41.44	18.10	178.86
<i>Total capital resources</i>	166.58	103.09	73.89	26.74	370.31
<u>Capital Schemes</u>					
Rolling Programme Schemes	5.17	4.71	4.65	4.65	19.17
Prior Year Approvals	37.88	23.95	8.75	2.82	73.40
Development Investment*	49.58	26.31	17.13	0.57	93.60
New capital allocations	1.54	1.20	1.92	0.61	5.27
<i>Total council funded schemes</i>	94.16	56.18	32.45	8.64	191.44
Externally funded schemes	72.40	46.91	41.44	18.10	178.85
Total capital programme	166.57	103.09	73.89	26.74	370.29
Funding shortfall (surplus)	0.00	0.00	0.00	0.00	0.00

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

Table 16: Capital Programme by directorate					
Directorate	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Adult Social Care, Public Health and Hub	0.89	0.89	0.89	0.89	3.55
Children's, Education and Customer Engagement	23.55	22.03	38.34	13.07	96.99
Economy, Environment and Communities	81.15	28.86	20.04	9.29	139.35
Resources and Transformation	38.44	28.65	2.95	1.51	71.55
Centrally held budgets *	22.54	22.65	11.67	1.99	58.85
Capital Programme by directorate	166.57	103.09	73.89	26.74	370.29

**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 £52m 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.*

Table 17: Capital Programme by Outcome					
Outcome	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place	86.21	73.46	29.89	9.31	198.87
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	7.30	6.62	6.63	4.69	25.24
People are supported to maintain or improve their health, wellbeing and quality of life	3.79	1.76	1.02	1.02	7.59
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	22.44	4.64	3.45	2.16	32.68
Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential	15.90	16.30	32.61	9.26	74.07
Children and young people grow up in connected communities and feel safe everywhere	1.23	0.00	0.00	0.00	1.23
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	29.12	0.30	0.30	0.30	30.02
Capital Programme by Outcome	166.57	103.09	73.89	26.74	370.29

Leasing Programme

The 2024/25 leasing programme totals £1.34m, summarised in **Table 18** 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.

Table 18: Leasing Programme	Capital £m	Revenue £m
Light Commercial vehicles	2.15	0.64
Refuse Vehicles	3.26	0.38
Tractors and Agricultural Implements	0.47	0.29
Welfare vehicles	0.05	0.03
Total	5.93	1.34

There is expected to be a carry forward from 2023/24 which is dependent on timings on acquisition of vehicles.

4. Medium term financial outlook – 2025/26 onwards

Revenue

Key sources of funding, in particular council tax and business rates and fees and charges, government core grant and specific grants are assessed on a regular basis, along with existing and 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 will continue beyond 2024/25.

We continue to await the governments fundamental review of local authority funding, which was due to be finalised by 2020/21, then abandoned in November 2021. It was announced that the government would look at introducing a new mechanism for redistributing funding to the authorities most in need. Any changes as a result of this review of relative needs and resources (formerly the Fair Funding Review) is unlikely to happen until after 2025/26.

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. Whilst we received our provisional settlement for 2024/25 on 18 December 2023, this continued to be for one year, therefore ongoing funding allocations still remain uncertain.

The government expects that 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, as well as its recovery in terms of collection rates, is unlikely to be able to fully cover funding shortfalls in the future, therefore a fair, fully funded settlement, covering the costs of social care is required to maintain financial stability into the longer term.

Assumptions at this point in time are that government funding will flatline, however with some talk nationally about potential cuts beyond 2025/26 in public sector funding, this assumption will be revisited once more information becomes available. This will have been made in our medium term financial outlook around overall changes to government spending for this period. This and forecast income reductions and cost pressures will continue to be kept under review.

A balanced budget is reported for 2024/25, with savings of £20.10m to be delivered through Proud service transformation. There is a further savings requirement of £65.90m over the period 2025/26 to 2027/28, of which some indicative savings are identified of c£24.20m (Net of £22.44m after £1.76m linked investment). This results in an adjusted net savings requirement of £43.46m as summarised in **Table 19**.

Table 19: Current Financial Gap				
	2025/26	2026/27	2027/28	Total
	£m	£m	£m	£m
Savings requirement (Financial gap)	31.13	21.84	12.93	65.90
Indicative savings / efficiencies identified to date (Annex 6)	(9.37)	(8.11)	(6.72)	(24.20)
Investment linked to indicative savings (Annex 6)	1.43	0.24	0.08	1.76
Revised Net Savings Requirement (Financial Gap)	23.19	13.97	6.30	43.46

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.

Both service transformation plans and existing workstream plans will be analysed and reviewed to design the next stages of transformation ensuring alignment to the Council Plan. 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.

Directors continue to work on the delivery plans for future opportunities, along with identifying further options for Members consideration, including a full review of the services the council provides and benchmarking. This will outline further options to balance the budget beyond 2025/26.

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 2024/25 to 2027/28. The capital programme is balanced for 2024/25 (see **Table 15** above). 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.

Part 1 Annex 1: Summary of Corporate Revenue Budget 2024/25 by Directorate

DIRECTORATE	2023/24 REVISED FORECAST £	BASE BUDGET ADJUSTMENTS £	INVESTMENT AND PRESSURES (Annex 5) £	INDICATIVE SAVINGS * (Annex 6) £	2024/25 FORECAST BUDGET £
Adult Social Care, Public Health & Hub	74,352,842	(5,162,832)	29,885,242	(4,944,039)	94,131,213
Children's, Education & Customer Engagement	88,238,202	1,481,645	15,680,952	(2,379,179)	103,021,620
Economy, Environment & Communities	46,324,031	(356,034)	3,899,876	(2,899,440)	46,968,433
Resources & Transformation	40,888,127	78,019	1,026,216	(1,203,531)	40,788,831
TOTAL SERVICES	249,803,202	(3,959,202)	50,492,286	(11,426,189)	284,910,097
Non-service specific prudence/central items/capital financing	(121,012,551)	(10,922,593)	9,844,388	(5,900,000)	(127,990,756)
Levies:					
West Midlands Combined Authority Transport Levy	11,614,174	0	293,301	0	11,907,475
Environment Agency	86,505	0	0	0	86,505
NET REVENUE EXPENDITURE	140,491,330	(14,881,795)	60,629,975	(17,326,189)	168,913,321
(Use of) / contribution to reserves	3,671,712	(20,552,609)	0	0	(16,880,897)
TOTAL COUNCIL TAX REQUIREMENT	144,163,042	(35,434,404)	60,629,975	(17,326,189)	152,032,424

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

Part 1 Annex 2: Summary of Corporate Revenue Budget 2024/25 by Outcome

OUTCOME	2023/24 REVISED FORECAST £	BASE BUDGET ADJUSTMENTS £	INVESTMENT AND PRESSURES (Annex 5) £	INDICATIVE SAVINGS* (Annex 6) £	2024/25 FORECAST BUDGET £
Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place	17,192,343	313,966	638,050	(1,039,420)	17,104,939
Education, training and skills enable people to contribute to their community and our economy	3,174,798	0	8,974	(381,324)	2,802,448
People can access support in their community to keep safe and well and remain independent at home	1,497,770	0	1,589,127	(357,417)	2,729,480
People are supported to maintain or improve their health, wellbeing and quality of life	71,400,684	(5,198,377)	29,804,900	(5,358,490)	90,648,717
We get things right, first time and make all services accessible and easy to use	2,160,983	1,540,000	239,779	(56,870)	3,883,892
The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring	(60,733,324)	(31,511,638)	11,367,804	(7,133,821)	(88,010,979)
Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential	18,301,095	0	2,044,985	(195,000)	20,151,080
Children and young people grow up in connected communities and feel safe everywhere	65,802,704	(58,355)	11,819,404	(1,826,762)	75,736,991
Our communities will be more resilient and supportive of each other	2,545,857	(75,000)	222,930	(92,651)	2,601,136
The people of Walsall feel safe in a cleaner, greener Borough	22,820,132	(445,000)	2,894,022	(884,434)	24,384,720
TOTAL COUNCIL TAX REQUIREMENT	144,163,042	(35,434,404)	60,629,975	(17,326,189)	152,032,424

* 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 2024/25

1. COUNCIL TAX EXCLUDING PRECEPTS (WALSALL COUNCIL ONLY)

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

BAND	WEIGHT	2023/24 C.TAX	2024/25 C.TAX	ANNUAL CHANGE	OF WHICH ASC RELATED	ANNUAL INCREASE	WEEKLY INCREASE	DAILY INCREASE
		£	£	£	£	%	£	£
A	6/9	1,323.65	1,389.70	66.05	26.47	4.99%	1.27	0.18
B	7/9	1,544.26	1,621.32	77.06	30.89	4.99%	1.48	0.21
C	8/9	1,764.87	1,852.94	88.07	35.30	4.99%	1.69	0.24
D	9/9	1,985.48	2,084.56	99.08	39.71	4.99%	1.90	0.27
E	11/9	2,426.70	2,547.79	121.09	48.53	4.99%	2.32	0.33
F	13/9	2,867.92	3,011.02	143.10	57.36	4.99%	2.74	0.39
G	15/9	3,309.13	3,474.26	165.13	66.18	4.99%	3.17	0.45
H	18/9	3,970.96	4,169.11	198.15	79.42	4.99%	3.80	0.54

2. OVERALL COUNCIL TAX INCLUSIVE OF PRECEPTS

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

BAND	WEIGHT	2023/24 TOTAL C.TAX	2024/25 WMBC C.TAX	ESTIMATE - ACTUAL T.B.A		OVERALL (INC PRECEPTS)
				2024/25 FIRE PRECEPT	2024/25 POLICE PRECEPT	2024/25 TOTAL C.TAX
		£	£	£	£	£
A	6/9	1,507.36	1,389.70	50.13	143.70	1,583.53
B	7/9	1,758.59	1,621.32	58.49	167.65	1,847.46
C	8/9	2,009.81	1,852.94	66.84	191.60	2,111.38
D	9/9	2,261.05	2,084.56	75.20	215.55	2,375.31
E	11/9	2,763.50	2,547.79	91.91	263.45	2,903.15
F	13/9	3,265.96	3,011.02	108.62	311.35	3,430.99
G	15/9	3,768.40	3,474.26	125.33	359.25	3,958.84
H	18/9	4,522.09	4,169.11	150.40	431.10	4,750.61

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

BAND	WEIGHT	2023/24 TOTAL C.TAX	2024/25 WMBC C.TAX	ESTIMATE - ACTUAL T.B.A		OVERALL (INC PRECEPTS)
				2024/25 FIRE PRECEPT	2024/25 POLICE PRECEPT	2024/25 TOTAL C.TAX
		£		£	£	£
A	6/9	1,130.52	1,042.27	37.60	107.78	1,187.65
B	7/9	1,318.94	1,215.99	43.87	125.74	1,385.60
C	8/9	1,507.36	1,389.71	50.13	143.70	1,583.54
D	9/9	1,695.79	1,563.42	56.40	161.66	1,781.48
E	11/9	2,072.63	1,910.84	68.93	197.59	2,177.36
F	13/9	2,449.47	2,258.27	81.46	233.51	2,573.24
G	15/9	2,826.30	2,605.69	94.00	269.44	2,969.13
H	18/9	3,391.57	3,126.83	112.80	323.33	3,562.96

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)	51,013	27,381	18,743	10,357	5,559	2,376	844	54	116,327
PROPERTIES (%)	43.85	23.54	16.11	8.90	4.78	2.04	0.73	0.05	100
CUMULATIVE TOTALS	67.39								
	83.50								
	92.40								

Part 1 Annex 4 : Revenue Cash Limit 2024/25 to 2027/28 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 2025/26 onwards will be realigned to services when agreed.

1. Adult Social Care, Public Health and Hub Directorate

- **Adult Social Care Portfolio**

Social Care services for older people and people with learning disabilities, physical disabilities and mental health needs. Supporting people. Health partnerships, ICB health interface lead, protection for vulnerable adults, transition arrangements between Children's and Adult Social Care. Adult social care commissioning, brokerage, market shaping and management.

- **Wellbeing Leisure and Public Spaces Portfolio**

Public Health functions and activities including commissioning services that affect the long-term health of residents. Health protection for local outbreak management, healthy lifestyle, infection prevention and control, immunisation. Mental and emotional wellbeing. Chair of Health & Wellbeing Board.

- **Leader of the Council Portfolio**

Overall responsibility for Council strategy, the Council Plan & Walsall 2040, communications, marketing and brand, business insights and performance, government relations and liaison with local MPs and West Midlands leaders, Business Insights (intelligence), Policy and Strategy Unit.

	2024/25	2025/26	2026/27	2027/28
	£	£	£	£
Opening cash limit	74,352,842	94,131,213	99,846,923	100,938,328
Base budget adjustments				
- Increase in grant income - Public Health	(254,544)	(275,901)	(261,300)	(264,745)
- Increase in grant income - Drugs and Alcohol	(462,436)	462,436	0	0
- Increase in grant income - Market Sustainability	(733,810)	0	0	0
- Increase in grant income - Better Care Fund	(591,331)	(624,785)	(608,058)	(608,058)
- Increase in grant income - Stop Smoking	(367,927)	0	0	0
- Fall out of single handed care	(137,000)	(137,000)	0	0
- Increase in Hospital Discharge Funding - LA	(1,325,436)	0	0	0
- Increase in Hospital Discharge Funding - ICB	(1,175,893)	0	0	0
- Pay changes	(114,455)	0	0	0
Investment / Pressures – see Annex 5	29,885,242	9,293,445	5,185,984	4,892,479
Less Proposed Savings Plans – see Annex 6	(4,944,039)	(3,002,485)	(3,225,221)	(3,189,630)
Adult Social Care, Public Health and Hub draft cash limit	94,131,213	99,846,923	100,938,328	101,768,374

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, Family Safeguarding, involvement of children and young people, transition arrangements between Children's and Adult Social Care Walsall, Safeguarding, Corporate Parenting. Ofsted and CQC inspections. Early Help, Family Hubs, Youth Justice, Children's Strategic Alliance and Performance Improvement.
- Education and Skills Portfolio**
 Admissions and school place planning, quality and performance of schools and academies, governors of schools and governance, Early Years, Home Education, Alternative Provision, Access and Inclusion, Virtual School, Home to School Transport, Services to Children with Special Needs and disabilities and their families, Safeguarding. Walsall Learning Alliance. Ofsted and CQC inspections. Adult learning and skills.
- Customer Portfolio**
 Customer Access Management (Internal Focus inc Customer Strategy and supporting processes to improve services to customers), Customer Experience Centre, Revenues and Benefits (Council tax and business rates), Household Support and Welfare.
- Regeneration Portfolio**
 Strategic Housing including housing standards and improvement.
- Resilient Communities Portfolio**
 Customer Access Management (external focus including aligning services delivered by voluntary and community sectors), Walsall Connected, Homelessness, Migrant Support and Housing Advice.

	2024/25 £	2025/26 £	2026/27 £	2027/28 £
Opening cash limit	88,238,202	103,021,620	105,800,468	108,158,978
Base budget adjustments				
- Increase in grant income - Unaccompanied Asylum Seeking Children	(21,000)	0	0	0
- Increase in grant income - Supported Accommodation	(37,355)	0	0	0
- Removal of Customer Access Management saving	1,540,000	0	0	0
Investment / Pressures – see Annex 5	15,680,952	7,419,452	6,977,934	7,307,903
Less Proposed Savings Plans – see Annex 6	(2,379,179)	(4,640,604)	(4,619,424)	(3,418,147)
Children's, Education and Customer Engagement draft cash limit	103,021,620	105,800,468	108,158,978	112,048,734

Children's Services	96,242,370	99,162,137	101,676,882	105,519,696
Customer Engagement	6,779,250	6,638,331	6,482,096	6,529,038
Children's, Education and Customer Engagement draft cash limit	103,021,620	105,800,468	108,158,978	112,048,734

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.
- **Regeneration Portfolio**
Regeneration, economic development, planning policy, planning and building control, strategic traffic and transport, car parks, markets.
- **Resilient Communities Portfolio**
Resilient Communities including Locality co-ordination, community development and diversity, community associations, voluntary and community sectors, Community Safety, community cohesion, Safer Walsall Partnership, public protection including anti-social behaviour, statutory nuisance and environmental crime enforcement. Environmental health and libraries.
- **Street Pride**
Clean & Green Services (inc waste strategy, refuse management, street cleansing, grounds maintenance, countryside service, fleet services). Highways Maintenance, Pollution Control. Parking Enforcement, Road Safety, Traffic Management. Engineering.
- **Wellbeing Leisure and Public Spaces Portfolio**
Leisure including Active Living Centres, Bereavement and Registration Services, Cemeteries and Crematoria. Culture services including the New Art Gallery, Walsall Arena and museums. Healthy spaces (parks and open spaces). Climate change/net zero.

	2024/25 £	2025/26 £	2026/27 £	2027/28 £
Opening cash limit	46,324,031	46,968,433	47,708,547	48,089,668
Base budget adjustments				
<i>Fall out of one off investment</i>				
- Loss of income - Active Living Centres	(150,000)	0	0	0
- Waste disposal	(285,000)	0	0	0
- Penalties for co-mingled waste	(35,000)	0	0	0
- Voter ID	(75,000)	0	0	0
- Vehicle fuel costs	(125,000)	(75,000)	0	0
<i>Other changes</i>	0	0		
- Town Centre officer post funded by Public Health	(86,315)	0	0	0
- One off use of car park enforcement reserve	400,281	0	0	0
Investment / Pressures – see Annex 5	3,899,876	620,649	407,574	514,878
Less Proposed Savings Plans – see Annex 6	(2,899,440)	194,465	(26,452)	(25,000)
Economy, Environment and Communities draft cash limit	46,968,433	47,708,547	48,089,668	48,579,546

4. Resources and Transformation Directorate

- **Leader of the Council Portfolio**
Proud Promises, Financial Planning, Budget, Medium Term Financial Strategy.
- **Internal Services Portfolio**
HR, Organisational Development. Learning and development, workforce equalities. Administration and business support. Transformation and change delivery, digital operations and delivery, ICT, information governance. Financial management and accountancy, financial administration, systems and payroll. Internal Audit, risk and insurance. Treasury management. Corporate Landlord including facilities and asset management, catering, cleaning, caretaking. Governance, legal and assurance, Democratic Services, Elections and Mayoralty.
- **Regeneration Portfolio**
Economic development, employment growth, skills, strategic use of assets, programme management and delivery.

	2024/25 £	2025/26 £	2026/27 £	2027/28 £
Opening cash limit	40,888,127	40,788,831	40,831,893	40,906,342
Base budget adjustments				
- Staffing changes within Human Resources	(77,129)	0	0	0
- Democratic Services increased provision	55,148	0	0	0
- Towns Deal business case	0	41,882	42,929	0
- Transformation	100,000	0	0	0
Investment / Pressures – see Annex 5	1,026,216	491,180	31,520	0
Less Proposed Savings Plans – see Annex 6	(1,203,531)	(490,000)	0	0
Resources and Transformation draft cash limit *	40,788,831	40,831,893	40,906,342	40,906,342

5. Central / Capital Financing

	2024/25	2025/26	2026/27	2027/28
	£	£	£	£
Opening cash limit	(105,640,160)	(132,877,673)	(136,536,196)	(134,622,361)
Base budget adjustments				
<i>Fall out of one off investment</i>				
- Energy	(600,000)	0	0	0
<i>Funding changes</i>				
- Top up grant	(1,629,457)	(441,539)	(450,370)	(459,377)
- Social Care grant	(4,644,333)	0	0	0
- Services grant	2,547,907	475,779	0	0
- New Homes Bonus	(298,757)	308,907	0	0
- Collection Fund Council tax Deficit	868,781	349,173	0	0
- NNDR income	(4,973,826)	(3,788,647)	(1,073,213)	(1,067,451)
- NNDR section 31 grant	(1,321,520)	(259,274)	(349,749)	(354,829)
<i>Other changes</i>				
- Capital Financing minimum revenue provision	2,550,000	0	0	0
- Reduction in Capital Financing	(1,782,000)	(59,000)	371,000	1,702,000
- Removal of central Customer Access Management saving	2,930,000	0	0	0
- Services grant expenditure removed	(119,555)	0	0	0
- Adjustment to Combined Authority levy / growth	(386,726)	109,500	109,500	109,500
- Transfers to / from reserves	(20,552,609)	12,866,708	4,082,527	500,000
- Other Central adjustments	(4,063,107)	(291,780)	(73,287)	(88,245)
Investment / Pressures – see Annex 5	10,137,689	10,258,515	13,265,759	6,776,807
Less Proposed Savings Plans – see Annex 6 (Third Party Spend and Digital Opportunities savings centrally held)	(5,900,000)	0	0	0
Savings yet to be identified	0	(23,186,865)	(13,968,332)	(6,301,710)
Central / Capital Financing draft cash limit	(132,877,673)	(136,536,196)	(134,622,361)	(133,805,666)

Part 1 Annex 5 : Summary of New Growth and Investment 2024/25 to 2027/28 aligned to Outcomes

Directorate	Ref No	Details of Growth by outcome	2024/25 £	2025/26 £	2026/27 £	2027/28 £	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							
Economy, Environment & Communities	1	Town Centre Officer post - to support the regeneration of the high street - funded from Public Health Grant	86,315	0	0	0	86,315
	2,3,4	Contractual inflation - Urban Traffic Control, Traffic Control and Highways Maintenance	269,035	165,617	154,037	154,409	743,098
	5	Under-recovery of planning income offset by planning fee contribution - net nil	0	0	0	0	0
	6	New posts within planning and land registry to deal with increased demand - linked to saving OP9 - partly reduced	160,934	20,000	(40,000)	0	140,934
	7	Reintroduce staff parking charges – unachieved saving from 2023/24 due to equality impact	18,000	0	0	0	18,000
	8	Charge developers for travel plans - unachieved saving from 2023/24 due to staff recruitment - removed	0	0	0	0	0
	57pt	Pay / pension provision	71,231	0	0	0	71,231
	95pt	Other contractual implications - Willenhall Market	32,535	0	0	0	32,535
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			638,050	185,617	114,037	154,409	1,092,113
Education, training and skills enable people to contribute to their community and our economy							
Adult Social Care, Public Health & Hub	57pt	Pay / pension provision	3,613	0	0	0	3,613
Economy, Environment & Communities	57pt	Pay / pension provision	5,361	0	0	0	5,361
Total Education, training and skills enable people to contribute to their community and our economy			8,974	0	0	0	8,974
People can access support in their community to keep safe and well and remain independent at home							
Children's, Education & Customer Engagement	9	Crisis support - to support Walsall residents in crisis	500,000	0	0	0	500,000
	42	Costs of Bringing the Housing Register in house - estimate	225,000	0	0	0	225,000
	43	Increase in Bed and Breakfast costs	757,970	24,476	25,209	31,380	839,035
	57pt	Pay / pension provision	4,852	0	0	0	4,852
	65pt	Additional children in care demand / cost pressures - care leavers / staying put	(181,666)	0	0	0	(181,666)

Directorate	Ref	Details of Growth by outcome	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total
Children's, Education & Customer Engagement	103	Household Support Fund - admin savings from 2023/24 not deliverable now grant ceasing	280,000	0	0	0	280,000
Economy, Environment & Communities	57pt	Pay / pension provision	2,971	0	0	0	2,971
Total People can access support in their community to keep safe and well and remain independent at home			1,589,127	24,476	25,209	31,380	1,670,192
People are supported to maintain or improve their health, wellbeing and quality of life							
Adult Social Care, Public Health & Hub	10	Social Care increase in demand pressures (inflow/attrition)	12,887,044	2,981,815	1,661,716	1,024,037	18,554,612
	11	Uplift based on average 6.99% across care types reduced for market management of new client rates for 2024/25, and then 2% from 2025/26 onwards	7,008,974	2,450,079	2,517,776	2,608,130	14,584,959
	12	Adult Social Care affordability model including contractual inflation based on inflation rate - Housing 21	1,250,748	273,203	280,033	287,034	2,091,018
	13	Hospital discharge - fully funded from grant	1,325,436	0	0	0	1,325,436
	14	Proportion of uplift funded from Market Sustainability & Improvement Fund grant	495,860	0	0	0	495,860
	15	Section 117 expenditure in Mental Health	150,063	61,967	64,446	67,024	343,500
	16	Client income - all types	0	2,639,181	0	0	2,639,181
	17	Health income - Learning Disability Joint Funding tool	201,520	0	0	0	201,520
	18	Online portal for procedures and advice	11,333	0	0	0	11,333
	19	Better Care finance system - ongoing licence costs	98,000	0	0	0	98,000
	20	Mosaic trainer post	39,000	0	0	0	39,000
	21	Additional social work capacity within Access Care Management Localities and Complex teams	353,257	298,910	0	0	652,167
	22	Co-production & consultation post	56,262	18,754	0	0	75,016
	23	Future arrangements for safeguarding	228,537	198,801	0	0	427,338
	24	Community Reablement and Technology - moved to offset saving OP16	0	0	0	0	0
	25	Revised Management Structure within Adult Social Care	443,069	49,230	0	0	492,299
	26	Financial Assessment & Charging Team (permanent structure)	316,952	107,327	0	0	424,279
	27	Client Money and Case Management Solution for Deputies and Appointees	20,000	0	0	0	20,000
28	Mosaic Case Management solution development – introduction of Electronic Document Management system	47,500	0	0	0	47,500	

Directorate	Ref	Details of Growth by outcome	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total
Adult Social Care, Public Health & Hub	29	Carecubed investment for contract extension	50,000	0	0	0	50,000
	30A	Public Health - licence costs	0	20,000	0	0	20,000
	30B	Public Health - pay awards / increments	0	50,000	50,000	50,000	150,000
	30C	Public Health - Inflation of 0-19 Healthy Child Programme	247,440	0	0	0	247,440
	30D	Public Health - Drug and Alcohol contribution to Family Safeguarding	100,000	0	0	0	100,000
	30E	Public Health - Reinstatement of saving relating to 'review of existing transformation fund'	205,000	0	0	0	205,000
	31	Public Health grant increase	0	205,901	211,300	214,745	631,946
	32	Supplementary Drugs & Alcohol - one off fully funded from grant	462,436	(462,436)	0	0	0
	33	Intermediate Care Service (Increased demand and uplifts)	1,302,070	412,053	412,053	412,053	2,538,229
	34	Integrated Equipment Store	232,182	0	0	0	232,182
	35	Better Care Fund - Integrated Community Equipment Service rent/overheads, pay	232,972	229,456	229,456	229,456	921,340
	36	Occupational Therapists to support reviews post Intermediate Care Services discharge - moved to offset saving OP21	0	0	0	0	0
	57pt	Pay / pension provision	(32,989)	0	0	0	(32,989)
	100	Development of a service which takes responsibility for the following: ASC Continuous Improvement; CQC management; Data quality; Social Care Systems; Social Care policy and strategy – social care reforms; digital innovation; annual cyclical activity across Directorate such part of business planning; Project management and governance	481,592	(240,796)	(240,796)	0	0
101	Reduction in direct payment refunds	1,100,000	0	0	0	1,100,000	
102	Local Stop Smoking Services and Support Grant (Expenditure)	367,927	0	0	0	367,927	
Economy, Environment & Communities	37	Leisure services income shortfall - fallout of investments as fee income recovers - removed from investments	0	0	0	0	0
	38	Coroners - contractual inflation implications	112,405	18,443	9,563	13,662	154,073
	57pt	Pay / pension provision	10,310	0	0	0	10,310
Total People are supported to maintain or improve their health, wellbeing and quality of life			29,804,900	9,311,888	5,195,547	4,906,141	49,218,476
We get things right, first time and make all services accessible and easy to use							
Children's, Education & Customer Engagement	39	Reduction in housing benefit admin grant	46,148	43,840	40,000	40,000	169,988
	40	Increase in volume of Bank Charges for receiving online payments	111,122	0	0	0	111,122

Directorate	Ref	Details of Growth by outcome	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total
Children's, Education & Customer Engagement	41	Reduction in Housing Benefit administration grant	50,000	0	0	0	50,000
	57pt	Pay / pension provision	24,371	0	0	0	24,371
Economy, Environment & Communities	57pt	Pay / pension provision	8,138	0	0	0	8,138
Total We get things right, first time and make all services accessible and easy to use			239,779	43,840	40,000	40,000	363,619
The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring							
Adult Social Care, Public Health & Hub	44	Policy & Strategy - Walsall 2040	10,000	0	0	0	10,000
	45	Policy & Strategy - ongoing running cost budget	36,000	0	0	0	36,000
	57pt	Pay / pension provision	153,444	0	0	0	153,444
Economy, Environment & Communities	57pt	Pay / pension provision	4,455	0	0	0	4,455
Resources & Transformation	46	Cloud / Microsoft licences and infrastructure costs	55,000	750,400	31,520	0	836,920
	47	Additional capacity for Finance strategic partnering - moved to offset saving OP39	0	0	0	0	0
	48	Digital and Technology - implement standardised addressing in two social care systems	30,000	0	0	0	30,000
	49	Human Resources - Organisational Leadership Development	100,000	(100,000)	0	0	0
	50	Payroll and Pensions - shortfall in income from schools	60,000	0	0	0	60,000
	51	Information Governance - shortfall in income from schools	61,280	0	0	0	61,280
	52	Digital and Technology - post within Operational Services to address increased demand in technology	0	120,780	0	0	120,780
	53	Human Resources Specialist Services - business administration support to Childrens	280,000	(280,000)	0	0	0
	57pt	Pay / pension provision	329,993	0	0	0	329,993
	99	Legal - two Senior Democratic Services posts	109,943	0	0	0	109,943
Central / Capital Financing	54	Capital financing / Minimum Revenue Provision review	1,202,650	(133,042)	600,000	600,000	2,269,608
	55	Revenue implications of capital programme	160,750	250,000	250,000	250,000	910,750
	56	Energy – fall out of investment - removed from investments	0	0	0	0	0
	57pt	Pay / pension provision	6,940,988	9,176,333	8,047,828	6,547,828	30,712,977
	58	Combined Authority Transport Levy and contribution to Metro from 2025/26	293,301	825,224	367,931	378,979	1,865,435

Directorate	Ref	Details of Growth by outcome	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total
Central / Capital Financing	59	Cost of living / demand provision	1,360,000	140,000	1,500,000	1,500,000	4,500,000
	98	External audit contract increase	180,000	0	0	0	180,000
Total The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring			11,367,804	10,749,695	13,297,279	6,776,807	42,191,585
Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential							
Children's, Education & Customer Engagement	57pt	Pay / pension provision	48,596	0	0	0	48,596
	60	Increase in demand for Home to school transport	986,977	1,133,977	800,000	643,407	3,564,361
	61	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	36,387	36,387	36,387	0	109,161
	62	Home to School Transport Staffing Resources	27,487	19,633	0	0	47,120
	63	Increase staffing costs in Education, Health and Care Plan Assessment team to meet increased demand	72,333	51,667	124,000	0	248,000
	64	Educational Psychology service - staffing to meet increases in demand	871,971	119,281	133,627	199,818	1,324,698
Economy, Environment & Communities	57pt	Pay / pension provision	1,234	0	0	0	1,234
Total Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential			2,044,985	1,360,945	1,094,014	843,225	5,343,170
Children and young people grow up in connected communities and feel safe everywhere							
Children's, Education & Customer Engagement	57pt	Pay / pension provision	303,837	0	0	0	303,837
	65	Additional children in care demand / cost pressures	6,996,360	2,363,187	1,952,075	2,449,328	13,760,950
	66	Foster care / Special Guardianship Order / staying put allowances and proposed change to current fostering fees - moved to offset saving OP57/60	0	0	0	0	0
	67	Increase in social workers pay (full year impact of 2022/23 investment)	12,000	0	0	0	12,000
	68	Development of locality partnership offer in Early Help - removed saving OP59 due to legislation changes.	0	0	0	0	0
	69	Young Carers Service	24,058	17,184	0	0	41,242
	70	Ongoing costs for wrap around support - moved to offset saving OP64	0	0	0	0	0
	71	Legal Fees	100,000	0	0	0	100,000
	72	Transport Costs for social care	200,000	0	0	0	200,000
	73	Additional Head of Service post - moved to offset saving OP64	0	0	0	0	0

Directorate	Ref	Details of Growth by outcome	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total
Children's, Education & Customer Engagement	74	Additional Children and Family Officer posts in Corporate Parenting - moved to offset saving OP62	0	0	0	0	0
	75	Recruitment & Retention Pressures	271,948	0	0	0	271,948
	76	Placement costs - Inflationary increases for external framework placements	3,527,511	3,609,820	3,866,636	3,943,969	14,947,936
	77	Increase birthday/ festive payments to Department for Education guidance for Special Guardianship Orders, fostering, connected care	31,000	0	0	0	31,000
	78	Kinship carers - remove allowance age cap, pay all carers birthday, holiday and festive allowances, and remove means testing	294,335	0	0	0	294,335
	79	Revenue costs for new internal residential home - moved to offset saving OP63	0	0	0	0	0
	80	Supported accommodation legislation post - fully funded from grant	37,355	0	0	0	37,355
	81	Unaccompanied Asylum Seeking Children (UASC) post - fully funded from grant	21,000	0	0	0	21,000
Total Children and young people grow up in connected communities and feel safe everywhere			11,819,404	5,990,191	5,818,711	6,393,297	30,021,603
Our communities will be more resilient and supportive of each other							
Economy, Environment & Communities	57pt	Pay / pension provision	8,887	0	0	0	8,887
	91	Town Centre Guardians x 4	114,043	0	0	0	114,043
	96	Reintroduce a youth team into the community	100,000	0	0	0	100,000
Total Our communities will be more resilient and supportive of each other			222,930	0	0	0	222,930
The people of Walsall feel safe in a cleaner, greener Borough							
Economy, Environment & Communities	57pt	Pay / pension provision	202,619	0	0	0	202,619
	82	Contractual inflation - Household Waste Recycling Centre haulage and management	319,578	66,701	34,586	49,408	470,273
	83	Increase in vehicle fuel costs - fall out of investment - removed from investments	0	0	0	0	0
	84	Agency for domestic and garden waste	238,904	70,502	74,027	74,027	457,460
	85	Commercial Implementation Manager	89,000	0	0	0	89,000
	86	Under recovery of licensing income	72,643	0	0	0	72,643
	87	Environmental Health posts	95,928	0	0	0	95,928
	88	Assure Computer System Maintenance Support	11,750	0	0	0	11,750
	89	Enforcement of fly tipping, litter dropping, cigarette dropping etc.	50,000	0	0	0	50,000
	90	Increase of Community Protection Enforcement Officers	197,872	0	0	0	197,872

Directorate	Ref	Details of Growth by outcome	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total
	92	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 – unachieved saving from 2023/24 - partly reduced	302,348	0	0	0	302,348
	93	Increase recycling rates and reduce contamination – unachieved saving from 2023/24	382,523	0	0	0	382,523
	94	Residential garden waste disposal – unachieved saving from 2023/24	30,000	0	0	0	30,000
	95	Other contractual implications	850,857	279,386	175,361	223,372	1,528,975
	97	To support healthy spaces activities	50,000	0	0	0	50,000
Total The people of Walsall feel safe in a cleaner, greener Borough			2,894,022	416,589	283,974	346,807	3,941,391
Total Growth and investment			60,629,975	28,083,241	25,868,771	19,492,066	134,074,053

Investment Summary by Outcome

Outcome	2024/25 £	2025/26 £	2026/27 £	2027/28 £	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	638,050	185,617	114,037	154,409	1,092,113
Education, training and skills enable people to contribute to their community and our economy	8,974	0	0	0	8,974
People can access support in their community to keep safe and well and remain independent at home	1,589,127	24,476	25,209	31,380	1,670,192
People are supported to maintain or improve their health, wellbeing and quality of life	29,804,900	9,311,888	5,195,547	4,906,141	49,218,476
We get things right, first time and make all services accessible and easy to use	239,779	43,840	40,000	40,000	363,619
The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring	11,367,804	10,749,695	13,297,279	6,776,807	42,191,585
Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential	2,044,985	1,360,945	1,094,014	843,225	5,343,170
Children and young people grow up in connected communities and feel safe everywhere	11,819,404	5,990,191	5,818,711	6,393,297	30,021,603
Our communities will be more resilient and supportive of each other	222,930	0	0	0	222,930
The people of Walsall feel safe in a cleaner, greener Borough	2,894,022	416,589	283,974	346,807	3,941,391
Total	60,629,975	28,083,241	25,868,771	19,492,066	134,074,053

Investment Summary by Directorate

Directorate	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
Adult Social Care, Public Health and Hub	29,885,242	9,293,445	5,185,984	4,892,479	49,257,150
Children's Services and Customer Engagement:					
- Children's Services	13,681,489	7,351,136	6,912,725	7,236,523	35,181,873
- Customer Engagement	1,999,463	68,316	65,209	71,380	2,204,368
Economy, Environment and Communities	3,899,876	620,649	407,574	514,878	5,442,976
Resources and Transformation	1,026,216	491,180	31,520	0	1,548,916
Central / Capital Financing	10,137,689	10,258,515	13,265,759	6,776,807	40,438,770
Total	60,629,975	28,083,241	25,868,771	19,492,066	134,074,053

Part 1 Annex 6 : Benefits Realisation (Savings) for Proud Change activity by Outcome 2024/25 to 2027/28

A: Summary of Policy Proposals by Outcome 2024/25 to 2027/28

Directorate	Ref No	Detail of Policy Proposals by Outcome	2024/25 £	2025/26 £	2026/27 £	2027/28 £	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							
Economy, Environment & Communities	P3	Arts & Events income - To introduce new online shop sales and ticketing	(15,000)	(10,000)	(25,000)	(25,000)	(75,000)
	P4	Street lighting dimming & trimming during the evening	(160,000)	0	0	0	(160,000)
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			(175,000)	(10,000)	(25,000)	(25,000)	(235,000)
People are supported to maintain or improve their health, wellbeing and quality of life							
Economy, Environment & Communities	P1	Leisure health checks based on 5% forecast take up	(5,125)	(20,125)	0	0	(25,250)
		Leisure health checks - linked Investment (one off) - Tanita Body Composition Scale purchase, 12 months licence, IT equipment and marketing	40,000	(40,000)	0	0	0
		Net saving	34,875	(60,125)	0	0	(25,250)
Total People are supported to maintain or improve their health, wellbeing and quality of life			34,875	(60,125)	0	0	(25,250)
We get things right, first time and make all services accessible and easy to use							
Economy, Environment & Communities	P2	Registrars change of name deeds	(3,000)	0	0	0	(3,000)
Total We get things right, first time and make all services accessible and easy to use			(3,000)	0	0	0	(3,000)
Our communities will be more resilient and supportive of each other							
Economy, Environment & Communities	P5	Seek sponsorship for festive lights	(40,000)	0	0	0	(40,000)
Total Our communities will be more resilient and supportive of each other			(40,000)	0	0	0	(40,000)
The people of Walsall feel safe in a cleaner, greener Borough							
Economy, Environment & Communities	P6	Closure of Fryers Road and Merchants Way Household Waste Recycling Centres for 1 day (7 to 6) - saving on contract spend	(150,000)	0	0	0	(150,000)
Total The people of Walsall feel safe in a cleaner, greener Borough			(150,000)	0	0	0	(150,000)
Total Net Policy Proposals			(333,125)	(70,125)	(25,000)	(25,000)	(453,250)

B: Summary of Operational Proposals by Outcome 2024/25 to 2027/28

Directorate	Ref No	Detail of Operational Proposals by Outcome	2024/25 £	2025/26 £	2026/27 £	2027/28 £	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							
Economy, Environment & Communities	OP1	Street lighting energy savings	(263,000)	0	0	0	(263,000)
	OP2	Income from Enterprise Zone due to historic business rates	(147,000)	0	0	0	(147,000)
	OP3	Arena restructure	(6,747)	0	0	0	(6,747)
	OP4	Increase On Street Parking charges	(20,000)	0	0	0	(20,000)
	OP5	Increase Off Street Parking charges	(55,000)	0	0	0	(55,000)
	OP6	Capitalisation of highways works removed as duplicated	0	0	0	0	0
	OP8	Alternate funding of Building Control officer posts from Local Authority Building Control funds for 1 year only	(86,000)	86,000	0	0	0
	OP9	One off use of Biodiversity Net Gain grant allocation (linked to investment 6 for new Ecology officer post)	(10,000)	10,000	0	0	0
	OP34 pt	Fees and charges - Traffic Management, Land Charges, Walsall Arena, Museums	(56,673)	0	0	0	(56,673)
	OP67	Capitalisation of highways mtnce potholes to replace undeliverable 2023/24 saving	(200,000)	0	0	0	(200,000)
	OP68	Increase parking penalty notices income target to reflect demand	(20,000)	0	0	0	(20,000)
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			(864,420)	96,000	0	0	(768,420)
Education, training and skills enable people to contribute to their community and our economy							
Economy, Environment & Communities	OP10	Libraries partnership with voluntary sector	(223,446)	0	0	0	(223,446)
	OP11	Capitalise Full Book fund	(145,000)	0	0	0	(145,000)
	OP34 pt	Fees and charges - Libraries	(2,878)	0	0	0	(2,878)
	OP41	Replace Evolutive with in house system	(10,000)	0	0	0	(10,000)
Total Education, training and skills enable people to contribute to their community and our economy			(381,324)	0	0	0	(381,324)
People can access support in their community to keep safe and well and remain independent at home							
Children's, Education & Customer Engagement	OP35	Explore full cost recovery for admin of Energy Company Obligation (ECO) by fee charging	(50,000)	0	0	0	(50,000)
	OP36	50% mitigation of Bed & Breakfast costs - increase Temporary Accommodation provision	(383,917)	(209,235)	(221,444)	(24,438)	(839,034)

Directorate	Ref No	Detail of Operational Proposals by Outcome	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
Children's, Education & Customer Engagement	OP57, OP60	Linked investment - staying put allowances. Previously shown as investment 66.	76,500	0	0	0	76,500
		Linked to saving for Further Recruitment & Retention of internal Foster Carers shown under 'Children Grow up' outcome below.					
Total People can access support in their community to keep safe and well and remain independent at home			(357,417)	(209,235)	(221,444)	(24,438)	(812,534)
People are supported to maintain or improve their health, wellbeing and quality of life							
Adult Social Care, Public Health & Hubs	OP14	Demand- develop & deliver additional support to Carers	(270,241)	0	0	0	(270,241)
	OP15	Shared lives	(142,812)	0	0	0	(142,812)
	OP16	Community reablement service – to prevent and delay long term care and support – subject to financial modelling	(1,147,248)	(2,535,965)	(2,586,685)	(2,638,418)	(8,908,316)
		Linked investment - Community Reablement & Technology new posts. Previously shown as investment 24	644,008	644,008	0	0	1,288,016
		Net saving	(503,240)	(1,891,957)	(2,586,685)	(2,638,418)	(7,620,300)
	OP17	Market management of Learning Disability/Mental Health provider market – use of Care Cubed technology and dedicated commissioning resources to better calibrate & control the price of care provision – link to investment in commissioning capacity and requiring licence	(574,282)	(371,821)	(20,733)	(19,337)	(986,173)
	OP18	Additional client income based on net client inflow	(257,369)	(260,316)	(260,316)	(260,316)	(1,038,317)
	OP19	Deferred payments income	(265,344)	0	0	0	(265,344)
	OP20	Health Income - S117/ Continuing Health Care / Part Health Funded	(1,047,615)	(249,636)	(263,274)	(271,559)	(1,832,084)
	OP21	Review of high cost domiciliary care packages post Intermediate Care Services discharge	(176,407)	(159,542)	0	0	(335,949)
		Linked investment - Occupational Therapists to support reviews post Intermediate Care Services discharge. Previously shown as investment 36	105,048	0	0	0	105,048
		Net saving	(71,359)	(159,542)	0	0	(230,901)
	OP22	Contractual uplifts funded by Market Sustainability Improvement Fund	(57,621)	0	0	0	(57,621)

Directorate	Ref No	Detail of Operational Proposals by Outcome	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
Adult Social Care, Public Health & Hubs	OP23	Occupational Therapist funded from Disabled Facilities Grant capital	(52,000)	0	0	0	(52,000)
	OP24	Flex360 supporting in business as usual reviews - double to single handed care	(464,453)	0	0	0	(464,453)
	OP25	Additional Housing 21 community based income / accommodation fees	(89,000)	0	0	0	(89,000)
	OP73	Payment audit (recovery of overpayments)	(1,100,000)	0	0	0	(1,100,000)
Economy, Environment & Communities	OP28	Bereavement services new memorial garden at North Walsall Cemetery (linked capital investment required)	(55,000)	0	0	0	(55,000)
	OP29	Leisure personal training	(8,400)	0	0	0	(8,400)
	OP30	Leisure commercial courses	(4,000)	0	0	0	(4,000)
	OP31	Leisure programme review	(15,000)	0	0	0	(15,000)
	OP32	Active Living Centres income generation	(180,000)	180,000	0	0	0
	OP34 pt	Fees and charges - Active Living, Cemeteries	(235,629)	0	0	0	(235,629)
Total People are supported to maintain or improve their health, wellbeing and quality of life			(5,393,365)	(2,753,272)	(3,131,008)	(3,189,630)	(14,467,275)
We get things right, first time and make all services accessible and easy to use							
Economy, Environment & Communities	OP33	Commercialisation of services – potential to develop services to be self funding - Registrars	(47,000)	(1,410)	(1,452)	0	(49,862)
	OP34 pt	Fees and charges - Registrars, Crematorium	(6,870)	0	0	0	(6,870)
Total We get things right, first time and make all services accessible and easy to use			(53,870)	(1,410)	(1,452)	0	(56,732)
The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring							
Adult Social Care, Public Health & Hubs	OP37	Removal of vacant posts in Policy & Strategy Hub	(48,703)	0	0	0	(48,703)
	OP74	Additional Income Generation within Communications	0	(69,213)	(94,213)	0	(163,426)
Economy, Environment & Communities	OP12 pt	Non-Statutory Training in Community & Partnerships - Equalities	(21,587)	0	0	0	(21,587)
Resources & Transformation	OP38	Service Desk 9-5	(25,000)	0	0	0	(25,000)
	OP39	Reduction in Finance Business Partner capacity aligned to further efficiencies as per Enabling Support Services blueprint	(394,039)	0	0	0	(394,039)
	OP39	Linked investment - Additional capacity for Finance strategic partnering. Previously shown as investment 47	276,039	0	0	0	276,039
		Net saving	(118,000)	0	0	0	(118,000)

Directorate	Ref No	Detail of Operational Proposals by Outcome	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
Resources & Transformation	OP40	Renegotiate Wide Area Network contract	(30,000)	0	0	0	(30,000)
	OP42	Stop using Microsoft Office	(15,000)	0	0	0	(15,000)
	OP43	Retire Mayrise system	0	(40,000)	0	0	(40,000)
	OP44	Replace ParkMap with Geospatial Product Suite	(2,149)	0	0	0	(2,149)
	OP45	Review of courier costs of equipment to new starters removed	0	0	0	0	0
	OP46	Digital and Technology - reduction in Supplies and Services (servers to cloud)	(100,000)	0	0	0	(100,000)
	OP48	Early Payment Supplier Programme removed	0	0	0	0	0
	OP49	One public estate – income from partners	(250,000)	(250,000)	0	0	(500,000)
	OP50	Restructure of post room	(20,000)	0	0	0	(20,000)
	OP52	Potential further restructure of Corporate Landlord	(70,000)	0	0	0	(70,000)
	OP53	Energy reductions	(200,000)	(200,000)	0	0	(400,000)
	OP75	Removal of revenue DaTS budget - now to be funded from capital	(333,382)	0	0	0	(333,382)
Central	OP47	Insurance contract	(200,000)	0	0	0	(200,000)
	OP76	Third Party spend (TPS)	(3,000,000)	0	0	0	(3,000,000)
	OP77	Digital Opportunities	(2,700,000)	0	0	0	(2,700,000)
Total The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring			(7,133,821)	(559,213)	(94,213)	0	(7,787,247)
Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential							
Children's, Education & Customer Engagement	OP54	Culture shift, training & workforce - payback of Education, Health and Care Plan investment	(50,000)	0	0	0	(50,000)
	OP56	Reduction in home to school transport investment	(145,000)	0	0	0	(145,000)
Total Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential			(195,000)	0	0	0	(195,000)
Children and young people grow up in connected communities and feel safe everywhere							
Children's, Education & Customer Engagement	OP55	Reduce headcount	(61,971)	0	0	0	(61,971)
	OP57, OP60	Recruitment & Retention of internal Foster Carers	(600,000)	(600,000)	(600,000)	(133,905)	(1,933,905)
	OP57, OP60	Linked investment - Foster care, Special Guardianship Order & proposed change to current fostering fees. Previously investment 66	638,000	191,800	197,000	84,000	1,110,800
		Net saving	38,000	(408,200)	(403,000)	(49,905)	(823,105)
	OP58	Specialist Foster Placements	(244,000)	(244,000)	(244,000)	0	(732,000)
	OP59	Early Help restructure of 'change grow live' following contract bought in house removed as offset by investment 68.	0	0	0	0	0

Directorate	Ref No	Detail of Operational Proposals by Outcome	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £	
Children's, Education & Customer Engagement	OP61	Full year impact of new internal residential homes	(467,400)	0	0	0	(467,400)	
	OP62	Extend the Family Safeguarding programme into Corporate Parenting	(859,866)	(1,618,823)	(1,618,823)	(1,618,823)	(5,716,335)	
		Linked investment - Additional Children and Family Officer posts in Corporate Parenting. Previously investment 74	121,173	0	0	0	121,173	
		Net saving	(738,693)	(1,618,823)	(1,618,823)	(1,618,823)	(5,595,162)	
	OP63	Placement sufficiency – opportunity to open further residential homes from 2025/26 - £600k capital investment in pipeline to support this.	0	(633,862)	(452,759)	0	(1,086,621)	
		Linked investment - Revenue costs for new internal residential home. Previously shown as investment 79	0	631,970	45,583	0	677,553	
		Net saving	0	(1,892)	(407,176)	0	(409,068)	
	OP64	Continued focus on placement step downs	(514,984)	(439,174)	0	0	(954,158)	
		Linked investment - Ongoing costs for wrap around support. Previously shown as investment 70	350,000	0	0	0	350,000	
		Linked investment - Additional Head of Service post. Previously shown as investment 73	110,948	0	0	0	110,948	
		Net saving	(54,036)	(439,174)	0	0	(493,210)	
	OP65	Adolescent Service - Early Help	(715,238)	(1,724,981)	(1,724,981)	(1,724,981)	(5,890,181)	
		Adolescent Service - Early Help. Linked saving	416,576	5,701	0	0	422,277	
		Net saving	(298,662)	(1,719,280)	(1,724,981)	(1,724,981)	(5,467,904)	
	Total Children and young people grow up in connected communities & feel safe			(1,826,762)	(4,431,369)	(4,397,980)	(3,393,709)	(14,049,820)
	Our communities will be more resilient and supportive of each other							
	Economy, Environment & Communities	OP12 pt	Non-Statutory Training in Community & Partnerships - Cohesion	(12,651)	0	0	0	(12,651)
Resources & Transformation	OP51	Council House / Town Hall events	(40,000)	0	0	0	(40,000)	
Total Our communities will be more resilient and supportive of each other			(52,651)	0	0	0	(52,651)	
The people of Walsall feel safe in a cleaner, greener Borough								
Economy, Environment & Communities	OP7	Traffic enforcement income model	(25,000)	0	0	0	(25,000)	

Directorate	Ref No	Detail of Operational Proposals by Outcome	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
Economy, Environment & Communities	OP13	Income generation from penalty notices for littering	(30,000)	0	0	0	(30,000)
	OP26	Review of coffee shop operations	(10,000)	(10,000)	0	0	(20,000)
	OP27	Above inflation increase to fees and charges	(20,000)	0	0	0	(20,000)
	OP34 pt	Fees and charges - Parks, Community Activity, Fleet, Waste, Environmental Health	(46,084)	0	0	0	(46,084)
	OP66	Additional Trade Waste Income	(68,350)	0	0	0	(68,350)
	OP69	Other waste disposal - (e.g. grey bin, plasterboard, textiles)	(280,000)	0	0	0	(280,000)
	OP70	W2R (Waste to Recycling) reconciliation credit	(150,000)	0	0	0	(150,000)
	OP71	Trade waste increase in income	(100,000)	0	0	0	(100,000)
	OP72	Income generation - full cost recovery of penalty notices for fly tipping	(5,000)	0	0	0	(5,000)
Total The people of Walsall feel safe in a cleaner, greener Borough			(734,434)	(10,000)	0	0	(744,434)
Total Net Operational Proposals			(16,993,064)	(7,868,499)	(7,846,097)	(6,607,777)	(39,315,437)

Total Savings Proposals	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
A - Policy Proposals	(373,125)	(30,125)	(25,000)	(25,000)	(453,250)
Investment linked to savings proposals	40,000	(40,000)	0	0	0
Total Net Policy Savings Proposals	(333,125)	(70,125)	(25,000)	(25,000)	(453,250)
B - Operational Proposals	(19,731,356)	(9,341,978)	(8,088,680)	(6,691,777)	(43,853,791)
Investment linked to savings proposals	2,738,292	1,473,479	242,583	84,000	4,538,354
Total Net Operational Savings Proposals	(16,993,064)	(7,868,499)	(7,846,097)	(6,607,777)	(39,315,437)
Total Net Savings Proposals	(17,326,189)	(7,938,624)	(7,871,097)	(6,632,777)	(39,768,687)

Savings Proposals Summary by Outcome

Outcome	2024/25 £	2025/26 £	2026/27 £	2027/28 £	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	(1,039,420)	86,000	(25,000)	(25,000)	(1,003,420)
Education, training and skills enable people to contribute to their community and our economy	(381,324)	0	0	0	(381,324)
People can access support in their community to keep safe and well and remain independent at home	(357,417)	(209,235)	(221,444)	(24,438)	(812,534)
People are supported to maintain or improve their health, wellbeing and quality of life	(5,358,490)	(2,813,397)	(3,131,008)	(3,189,630)	(14,492,525)
We get things right, first time and make all services accessible and easy to use	(56,870)	(1,410)	(1,452)	0	(59,732)
The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring	(7,133,821)	(559,213)	(94,213)	0	(7,787,247)
Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential	(195,000)	0	0	0	(195,000)
Children and young people grow up in connected communities and feel safe everywhere	(1,826,762)	(4,431,369)	(4,397,980)	(3,393,709)	(14,049,820)
Our communities will be more resilient and supportive of each other	(92,651)	0	0	0	(92,651)
The people of Walsall feel safe in a cleaner, greener Borough	(884,434)	(10,000)	0	0	(894,434)
Total Savings Proposals	(17,326,189)	(7,938,624)	(7,871,097)	(6,632,777)	(39,768,687)

Savings Proposals Summary by Directorate

Directorate	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
Adult Social Care and Public Health	(4,944,039)	(3,002,485)	(3,225,221)	(3,189,630)	(14,361,375)
Children's Services and Customer Engagement:					
- Children's Services	(1,945,262)	(4,431,369)	(4,397,980)	(3,393,709)	(14,168,320)
- Customer Engagement	(433,917)	(209,235)	(221,444)	(24,438)	(889,034)
Economy, Environment and Communities	(2,899,440)	194,465	(26,452)	(25,000)	(2,756,427)
Resources and Transformation	(1,203,531)	(490,000)	0	0	(1,693,531)
Central	(5,900,000)	0	0	0	(5,900,000)
Total Savings Proposals	(17,326,189)	(7,938,624)	(7,871,097)	(6,632,777)	(39,768,687)

Part 1 Annex 7 – Summary of Revenue Grants 2024/25

Revenue Grant	£m
Magistrates & Probation Service Grant	(22,984)
Bikeability Grant	(139,230)
Housing Benefit Subsidy - Rent Allowances	(57,269,985)
Housing Benefit Subsidy Administration	(897,918)
Turnaround Programme Grant	(132,299)
Implementation of Supported Accommodation Reforms Section 31 Grant	(124,454)
Leaving Care Allowance Uplift Implementation Section 31 Grant	(71,036)
Supported Internships Award	(23,998)
Local Reform & Community Voices Grant	(254,713)
16 to 19 Education Funding	(3,026,619)
West Midlands Police Crime Commissioner Community Safety Grant	(135,000)
Housing Benefit Subsidy - Non Housing Rent Allowances	(839,739)
Dedicated Schools Grant (DSG)	(207,818,749)
Pupil Premium Grant	(12,247,845)
Primary PE & Sport Premium	(1,223,118)
Universal Infant Free School Meals Grant	(2,387,771)
Arts Council National Portfolio Grant	(1,413,701)
Rough Sleeper Initiative	(408,900)
Heritage Lottery Fund	(59,095)
Supporting Families Programme	(1,826,133)
Holiday Activity and Food Programme Grant	(2,011,041)
DEFRA Countryside Stewardship Grant Income	(11,587)
St Thomas More Public Finance Initiative Grant (PFI)	(772,600)
Improved Better Care Fund	(14,181,002)
Verified Earnings & Pension Grant	(10,967)
Discretionary Housing Payments	(540,168)
Safe Accommodation Duty (Domestic Abuse) Grant	(705,904)
DWP Housing Benefit Award Accuracy Grant	(50,000)
Public Health Grant	(19,563,739)
Support for Care Leavers at Risk of Rough Sleeping Section 31 Grant	(13,894)
Teachers Pay Additional Grant (TPAG)	(2,600,194)
Social Care Support Grant	(29,138,653)
Teachers Pension Employer Contribution Grant (TPECG)	(95,493)
Youth Justice Board Grant	(488,691)
COVID-19 Recovery Premium	(423,336)
Afghan Citizens Resettlement Scheme	(778,344)
Market Sustainability & Improvement Fund	(6,264,233)
Restart Grant	(640,557)
Homes for Ukraine Scheme	(139,419)
Homelessness Prevention Grant	(880,465)
Core Funding Grant - Local Enterprise Partnership (LEP)	(500,000)
Home to School Transport Grant	(68,700)
The Remand Framework for Children (His Majesty's Prison and Probation Service)	(168,566)
Key Stage 2 Moderation and Key Stage 1 Phonics Grant	(11,917)
Extended Personal Advisor Duty Implementation Grant	(59,651)

Revenue Grant	£m
Staying Put Implementation Section 31 Grant	(176,599)
Department for Business, Energy and Industrial Strategy Growth Hub Grant	(328,000)
Education and Skills Funding Agency Black Country Community Grants	(400,000)
Black Country Impact Grant (Youth Employment Initiative)	(212,255)
Supplementary Substance Misuse Treatment & Recovery Grant	(1,244,260)
Reducing Parental Conflict Local Grant	(40,313)
Hospital Discharge Fund	(3,313,590)
Family Hubs and Start for Life Programme	(1,268,900)
Supported Housing Improvement Programme	(105,000)
Staff Related Inherited Liabilities Grant	(400,000)
Shared Prosperity Fund (UKSPF)	(304,514)
European Social Fund	(212,255)
Commonwealth Games Legacy Fund	(938,661)
Local Stop Smoking Services Grant	(367,927)
National Wraparound Childcare Grant	(1,146,837)
Street Lighting PFI	(1,595,348)
New Homes Bonus Scheme	(308,907)
Business Rates Retention Section 31 Grant	(29,423,243)
Services Grant	(475,779)
Biodiversity Net Gain Grant	(10,000)
Total Revenue Grants 2024/25	(412,714,796)

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 (the “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 and Investment Strategy (shown at section B, part 2 of the 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 within 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 2024/25 to 2027/28 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 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** – 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.
- **Investment in ICT and 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 2024/25 to 2027/28 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 during the summer. 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 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 silting up funds that are at risk carry forward.

Table 1: Pipeline investment scoring matrix

Ranking Criteria	Weighting	Notes	SCORING		
			GREEN	AMBER	RED
		Rag rating			
		Points	3	2	1
Aligned to local plans and strategies	40%	We should only be developing schemes in our wider plans. WM and BC Strategic Economic Plans, Walsall Council Plan, MTFs, 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 is not an option	Investment would be preferable and enhance service	Non-essential
Short term deliverability	20%	Likelihood of end scheme being delivered in short term	Delivery could commence in 12 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 (100%) and revenue savings (meaning purpose fulfilled)	funding or revenue savings generate significant cost avoidance	funding OR will result in revenue change or a net revenue cost

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

- Existing projects are named and valued in the Capital Programme.
- Statutory or legally required capital expenditure may be added directly to the capital programme depending upon its nature.
- 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.

3.1.7 Prior to cabinet approving the capital programme, the final version of the development pipeline is reviewed by members at CMT with any adjustments requested being made in the light of the relative priorities and the overall impact on the revenue budget.

- Existing capital schemes and expenditure that is unavoidable to meet statutory and legislative requirements (i.e. health & safety, expenditure to meet new legislation etc) will be presented separately in the capital programme. 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.

3.1.8 The council's policy is to agree the Capital Programme on an annual basis at the Council meeting in February, in line with statute. 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, which is administered by SIB. 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.

3.3 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 2024/25 are in the range of £2m - £2.6m and are based on professional estimates of property colleagues and subject to change dependent on the implementation of the Strategic Asset Plan and the outcome of the Faithful and

Gould review affecting our Accommodation Strategy moving forward. Any additional receipts received in year (excluding those earmarked for specific schemes) will be used to fund any shortfalls in previous year's receipts projections or transformation projects in line with the Flexible Use of Capital Receipts Strategy (set out 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 as the council has returned to business as usual.

3.4.2 The adoption of the Strategic Asset Plan was 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 was the adoption of a Corporate Landlord model for the management of the council's land and property assets which centralised 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 is to undertake an ongoing review of the buildings within the portfolio in order to maximise utilisation of the council's properties. This process is 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 will then inform our options and asset investment, acquisitions and disposals to meet these in the most effective way. In addition to this, 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 has enabled 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 and High Needs capital funding are 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 and High needs carry forwards and confirmed allocations until 2023/24, a funding envelope of circa £40m in order to deliver the required anticipated places and from which, funding of circa £11m has already been committed to various projects to provide additional places. Further allocation for 2025/26 has been announced for Basic Needs and the funding circa £6.8m will be received to reflect the increasing demand in secondary school places. Currently there is nil allocation for 2024/25(Basic Needs), however the final confirmation will be depending upon the demand of pupil places in Walsall area and will be announced on a rolling annual bases via the 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 the view to support the challenges highlighted above 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, local planning policy including the Walsall Site Allocation Document and Town Centre Area Action 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 metres of employment / commercial floors space

The regeneration pipeline is included in the Councils Pipeline (para 3.1.3) and scored alongside wider Council projects, so investment decisions can be taken in the context of the Councils 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 and the borough is in the middle of a £1.5bn transformation through recent, current and planned investment.

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 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 of delivery. In January 2023 it was confirmed that the council's £20m bid to the Levelling Up Fund Round 2 to support delivery of new housing and highways improvements had been successful. In the 2023 Spring Budget Walsall was named as one of twenty places selected by government to form a Levelling Up Partnership which will provide funding of £20m for a package of interventions. In October 2023 it was announced that the government had awarded £20m for a new Darlaston Long Term Plan.
- 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 and Willenhall Town Centres, the BCEZ, and significant brownfield housing development sites.
- 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 Walsall to Wolverhampton (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 programmes being provided to WMCA which may be able to support project delivery in the borough. In addition it has been announced that Walsall will be one of three Growth Zones agreed as part of the Devolution Deal which allow the council to retain business rates generated for 25 years to spend on growing the economy.

3.7 Development Pool

- 3.7.1 As SIB is evolving, it has become apparent that the council's priorities need to be considered in as holistic an approach as possible and this has resulted in the council conducting an exercise to consolidate all likely current and future capital asks into a single Council Pipeline (para 3.1.3) to enable a council wide perspective to be taken on the overall requirement.
- 3.7.2 This has resulted in a split of the schemes put forward to be divided into existing need (i.e. business as usual or project overspends that have already submitted a business case) that will be included directly in the capital programme and new investments that require further investigatory, feasibility and due diligence to get to business case stage to be assessed properly as detailed in 3.1.7. These new investments would be considered as part of the Pipeline, subject to scoring and prioritisation as noted above.

If projects are recommended, and the business case results in favourable outcomes as expected, and is approved by Cabinet the budget will transfer to the capital programme. This will act as the gateway to ensure only robust, deliverable schemes with key priorities being achieved for the borough are taken through to the capital programme and that schemes that don't meet these requirements do not get taken forward for delivery.

3.7.3 This enables the council to have agreed priorities to be worked on for the medium term, act fleet afoot if priorities change or opportunities arise, especially from any external funding or grants availability perspective but still have an effective gateway and governance process to manage these schemes through to the capital programme and delivery phase.

3.7.4 As the process of business cases being developed and agreed evolves, the capital requirement of the capital programme will also change, as will revenue impacts both from a capital investment and revenue savings/capital receipts perspective so this will be monitored regularly for impacts on the budget monitoring in year as well as future MTFP impacts and will be reported through SIB, ASG, CMT and Cabinet accordingly.

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 (2021) 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 authorities 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. INVESTMENT PROPERTY & 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.
- 5.2 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.
- 5.3 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.
- 5.4 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.
- 5.5 Details of the councils existing non-financial investments, including their contribution, benchmarking indicators and proportionality of the income derived from them in comparison to net service expenditure is set out within the Treasury Management & Investment Strategy.
- 5.6 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.
- 5.7 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.

- 5.8 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 £152m of capital spending funded from borrowing (similar to the level included within this report) would add £1.8m 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 2024/25 to 2027/28

A. Capital Programme 2024/25 to 2027/28 – Council Funded Schemes

A1 - Rolling Programme Schemes

Directorate	Capital Scheme	Detail of Capital investment	Draft carry forward from 2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	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								
Economy, Environment & Communities	Traffic Signals Infrastructure	The council has a statutory duty to maintain all its traffic signal infrastructure. This programme of planned pedestrian crossing replacements will ensure the safe and efficient movement of pedestrians across the borough (Traffic Management Act 2004). Also supports delivery of the council's carbon reduction targets.	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 lead 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
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			0	3,020,000	3,020,000	3,020,000	3,020,000	12,080,000

Directorate	Capital Scheme	Detail of Capital investment	Draft carry forward from 2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
People can access support in their community to keep safe and well and remain independent at home								
Children's, Education & Customer Engagement	Aids and Adaptations / Preventative Adaptations/ Supporting Independence	This project directly supports the council's: 1. Statutory requirement to provide Disabled Facility Grants (DFGs) this includes enabling the council to provide a continuous service rather than as some councils do in terms of stock-piling enquiries until 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
	Health Through Warmth - Tackling Fuel Poverty	To help provide a safety net for those who cannot access other funding sources; 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	10,000	140,000	75,000	75,000	300,000
Total People can access support in their community to keep safe and well and remain independent at home			0	422,000	552,000	487,000	487,000	1,948,000
People are supported to maintain or improve their health, wellbeing and quality of life								
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

Directorate	Capital Scheme	Detail of Capital investment	Draft carry forward from 2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
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.	468,159	1,000,000	1,000,000	1,000,000	1,000,000	4,468,159
Total People are supported to maintain or improve their health, wellbeing and quality of life			468,159	1,020,000	1,020,000	1,020,000	1,020,000	4,548,159
The people of Walsall feel safe in a cleaner, greener Borough								
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.	115,857	120,000	120,000	120,000	120,000	595,857
Total The people of Walsall feel safe in a cleaner, greener Borough			115,857	120,000	120,000	120,000	120,000	595,857
Total Rolling Programme Schemes			584,016	4,582,000	4,712,000	4,647,000	4,647,000	19,172,016

A2 – Prior Year Approval Schemes

Directorate	Capital Scheme	Detail of Capital investment	Draft carry forward from 2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	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								
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.	2,580,366	1,099,612	0	0	0	3,679,978
	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.	0	5,163,891	13,613,723	5,833,386	0	24,611,000

Directorate	Capital Scheme	Detail of Capital investment	Draft carry forward from 2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
Economy, Environment & Communities	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.	0	1,500,000	0	0	0	1,500,000
	Other schemes carried forward from previous years requiring completion	Capitalisation of Development Team.	327,649	327,649	327,649	327,649	327,649	1,638,245
		Regenerating Walsall.	223,206	0	0	0	0	223,206
		Walsall Town Centre Public Realm Improvements.	103,770					103,770
		St Peters Church repairs to surrounding wall.	32,784					32,784
		New Homes Bonus.	76,999	0	0	0	0	76,999
		Walsall Gateway.	20,000	0	0	0	0	20,000
Brown Jug Compulsory Purchase Order.	27,000	0	0	0	0	27,000		
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.	See below	See below	See below	See below	See below	See below
		Walsall Towns Deal - council contribution.	0	0	1,779,600	0	0	1,779,600
		Bloxwich Towns Deal - council contribution.	0	0	3,700,000	0	0	3,700,000
	Other schemes carried forward from previous years requiring completion	Car Park Surfacing works, Electric Vehicle charging, Changing Places and toilets plus further capital works to units during/post connected gateway scheme.	125,000	350,000	150,000	150,000	0	775,000
Saddlers Shopping Centre.		268,941	0	0	0	0	268,941	
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			3,785,715	8,441,152	19,570,972	6,311,035	327,649	38,436,523

Directorate	Capital Scheme	Detail of Capital investment	Draft carry forward from 2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
People are supported to maintain or improve their health, wellbeing and quality of life								
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. Continuation of a 2023/24 approved scheme.	474,886	524,886	0	0	0	999,772
	Other schemes carried forward from previous years requiring completion	Barr Beacon security and infrastructure works.	40,395	0	0	0	0	40,395
Total People are supported to maintain or improve their health, wellbeing and quality of life			515,281	524,886	0	0	0	1,040,167
The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring								
Economy, Environment & Communities	Other schemes carried forward from previous years requiring completion	Single Library Management System.	6,317	0	0	0	0	6,317
		Darlaston Library Integration.	60,586	0	0	0	0	60,586
		Replacement PC's in libraries.	34,000	0	0	0	0	34,000
		Radio Frequency Identification Self Issue.	5,800	0	0	0	0	5,800
Resources and Transformation	Replacement of 'tablet' technology	A 'tablet replacement rollout' programme. Allocation of £2.25m approved in 2022/23. Further allocation of £2.25m rephased from 2023/24 to 2024/25 & 2025/26.	0	1,125,000	1,125,000	900,000	900,000	4,050,000
	Card payments, Digital Website	To ensure the council remains compliant and allows for citizens to pay for services online.	825,431	100,000	0	0	0	925,431
	Konica multi-functional device re-tender	Konica multi-functional device contract expires 2023/24; options to extend the contract. Following the extension a full tender will be required during 2025/26 and devices will need to be replaced 2026/27. A resource will be required to manage the device replacement programme.	50,000	0	0	0	50,000	100,000

Directorate	Capital Scheme	Detail of Capital investment	Draft carry forward from 2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	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.	60,000	100,000	100,000	100,000	100,000	460,000
	Capitalisation of Capital Finance Team	Capitalisation of the team to enhance capital planning, financing and strengthen programme delivery.	0	261,000	261,000	261,000	261,000	1,044,000
	Digital and Technology Service (DaTS) Staffing Capitalisation	DaTS to grow the internal team knowledge to deliver capital projects which will reduce external consultants moving forward.	118,875	654,854	654,854	0	0	1,428,583
	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	200,000	0	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	450,000	0	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 Public Services Network (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	80,000	0	0	80,000
	Chip & Pin Devices	Chip & Pin Devices and associated licences have a 4-year life span in which they are compliant with Payment Card Industry (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	30,000	0	0	30,000

Directorate	Capital Scheme	Detail of Capital investment	Draft carry forward from 2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
Resources and Transformation	Other schemes carried forward from previous years requiring completion	Civic Centre Heating.	0	896,328	250,000	0	0	1,146,328
		Council House General Heating.	0	1,923,560	250,000	0	0	2,173,560
		Council House Internal Decoration.	30,218	0	0	0	0	30,218
		Civic Centre Plumbing.	66,600	0	0	0	0	66,600
		Council House Smoke and Heat Detection Fire Alarm.	296,920	0	0	0	0	296,920
		Council House Windows.	1,230,759	0	0	0	0	1,230,759
		Operational Repair & Maintenance of Council Buildings.	84,572	0	0	0	0	84,572
		Council House Roof Repairs.	1,432,000	0	0	0	0	1,432,000
		Council House Modern Secure Reception.	25,308	0	0	0	0	25,308
		MyCMIS.	15,796	0	0	0	0	15,796
		Proud – ICT.	20,000	0	0	0	0	20,000
		Enabling Technology.	4,567,010	0	0	0	0	4,567,010
		Computer Aided Facilities Management System.	275,000	0	0	0	0	275,000
		Safe and secure environment.	1,426,957	0	0	0	0	1,426,957
		Telephony cloud based system.	464,271	0	0	0	0	464,271
Ways of working.	250,000	0	0	0	0	250,000		
Central	Minor capital schemes <£100k	To fund minor capital schemes.	627,185	500,000	500,000	500,000	500,000	2,627,185
Total The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring			11,973,605	5,760,742	3,700,854	1,761,000	1,811,000	25,007,201
Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential								
Children's, Education & Customer Engagement	School Estate 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. Held corporately to fund emergency costs arising.	0	250,000	250,000	250,000	250,000	1,000,000
Total Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential			0	500,000	500,000	500,000	500,000	2,000,000

Directorate	Capital Scheme	Detail of Capital investment	Draft carry forward from 2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
Children and young people grow up in connected communities and feel safe everywhere								
Children's, Education & Customer Engagement	Other schemes carried forward from previous years requiring completion	Children in care Out of Borough placements.	147,296	0	0	0	0	147,296
Total Children and young people grow up in connected communities and feel safe everywhere			147,296	0	0	0	0	147,296
Our communities will be more resilient and supportive of each other								
Economy, Environment & Communities	Other schemes carried forward from previous years requiring completion	Expansion of Park Hall.	580,000	0	0	0	0	580,000
Total Our communities will be more resilient and supportive of each other			580,000	0	0	0	0	580,000
The people of Walsall feel safe in a cleaner, greener Borough								
Economy, Environment & Communities	Waste Management Strategy	Strategic acquisition of property to support the future delivery of the council's waste management strategies.	0	5,471,653	0	0	0	5,471,653
	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
Total The people of Walsall feel safe in a cleaner, greener Borough			0	5,651,653	180,000	180,000	180,000	6,191,653
Total Prior Year Approval Schemes			17,001,897	20,878,433	23,951,826	8,752,035	2,818,649	73,402,840

A3 - Development Schemes

Directorate	Capital Scheme	Detail of Capital investment	Draft carry forward from 2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	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								
Council Wide	Development investment	Funding for development investment opportunities. This includes 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. Full list of development schemes currently under review, pending business case approval, are referred to at Part 1 Annex 9 (A5).	0	19,948,642	21,151,504	10,168,001	487,411	51,755,558
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 2026/27.	0	0	0	5,026,928	83,072	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.	2,546,122	0	2,546,574	0	0	5,092,696
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			2,546,122	19,948,642	23,698,078	15,194,929	570,483	61,958,254
People are supported to maintain or improve their health, wellbeing and quality of life								
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	1,000,000	744,000	0	0	1,744,000
Total People are supported to maintain or improve their health, wellbeing and quality of life			0	1,000,000	744,000	0	0	1,744,000

Directorate	Capital Scheme	Detail of Capital investment	Draft carry forward from 2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
People can access support in their community to keep safe and well and remain independent at home								
Children, Education & Customer Engagement	Temporary Accommodation	This Project is seeking to increase the council's homelessness temporary accommodation (TA) portfolio with an additional supply of primarily self-contained dispersed homes, but also a block of emergency rooms for immediate placement. This funding increases our TA portfolio by a total of 32 units over the next 4 years and is required to arrest the significant unplanned pressure on revenue budgets due to subsidy loss that is being experienced by the council when placing into Bed & Breakfast rather than using its own TA .	0	1,870,000	1,870,000	1,936,000	0	5,676,000
Total People can access support in their community to keep safe and well and remain independent at home			0	1,870,000	1,870,000	1,936,000	0	5,676,000
Children and young people grow up in connected communities and feel safe everywhere								
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	0	0	0	150,000
	New Internal Residential Home	The project will provide a modern 4/5 bedroomed property registered with Ofsted to provide accommodation for 3 children deemed to require complex care. The objectives of the project are to provide a safe and secure building that is fit for purpose, increasing sufficiency for children with more complex needs, to address current shortfalls in provision and to reduce dependence on high-cost provision.	0	850,000	0	0	0	850,000
Total Children and young people grow up in connected communities and feel safe everywhere			0	1,000,000	0	0	0	1,000,000

Directorate	Capital Scheme	Detail of Capital investment	Draft carry forward from 2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
The people of Walsall feel safe in a cleaner, greener Borough								
Economy, Environment and Communities	HWRC station - Middlemore Lane	Additional budget required to cover the uncontrollable increased 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.	5,841,957	17,375,391	0	0	0	23,217,348
Total The people of Walsall feel safe in a cleaner, greener Borough			5,841,957	17,375,391	0	0	0	23,217,348
Total Development Investment			8,388,079	41,194,033	26,312,078	17,130,929	570,483	93,595,602

A4 – New Schemes

Directorate	Capital Scheme	Detail of Capital investment	Draft carry forward from 2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
People are supported to maintain or improve their health, wellbeing and quality of life								
Economy, Environment & Communities	Enhancement of Darlaston Pool	Implement new water features to improve teaching pool facilities and attract new business. 3 year payback.	0	45,000	0	0	0	45,000
Total People are supported to maintain or improve their health, wellbeing and quality of life			0	45,000	0	0	0	45,000
Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place								
Economy, Environment & Communities	Capitalisation of Reactive Highways maintenance- Pothole Funding	Capitalisation of Reactive Highways maintenance - Pothole Funding.	0	200,000	200,000	200,000	200,000	800,000
	Street Lighting Inspections	Capitalisation of electrical Inspections of Street Lighting - Health and Safety.	0	54,468	62,469	35,793	63,091	215,821
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			0	254,468	262,469	235,793	263,091	1,015,821

Directorate	Capital Scheme	Detail of Capital investment	Draft carry forward from 2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring								
Economy, Environment & Communities	Capitalisation of Library Book Fund	Capitalisation of Library Book Fund.	0	145,000	145,000	145,000	145,000	580,000
Resources and Transformation	Maintaining a Safe & Secure Environment (rolling programme)	Continuation of existing scheme Maintaining a Safe & Secure Environment. Not all hardware has a warranty/support & maintenance agreement in place - it is more cost effective to replace the equipment should it fail - some equipment will run for 10+ years without incident, therefore having a support/warranty agreement in place is not cost effective. This scheme also funds critical work that needs to take place within the Council's data centre environments for example additional cooling units, additional door security, unforeseen problems i.e. suppliers unexpectedly declaring components end of life or unforeseen incompatibilities between components i.e. something new won't work with something old without additional intervention/replacement.	299,223	150,000	150,000	200,000	200,000	999,223
Resources and Transformation	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	642,144	642,144	1,342,144	0	2,626,432
Total The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring			299,223	937,144	937,144	1,687,144	345,000	4,205,655
Total New Capital Programme requests			299,223	1,236,612	1,199,613	1,922,937	608,091	5,266,476
Total Draft Capital Programme - Council Funded			26,273,215	67,891,078	56,175,517	32,452,901	8,644,223	191,436,934

A5 - Capital Development Schemes – subject to business case approval.

Adult Social Care, Public Health and Hub

- **Assistive Technologies** - 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.

Children's, Education & Customer Engagement

- **Free School** - Funding towards providing a free school in the borough to supplement a DfE bid to contribute significant funds to the creation of the school on a council site.
- **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.

Economy, Environment and Communities

- **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.
- **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.
- **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.
- **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.
- **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.
- **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.
- **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.
- **Traffic Signals Infrastructure** - additional funding to replace obsolete traffic signals infrastructure. Existing rolling budget of £200k.
- **York Bridge** - review of scheme being undertaken and potential requirements to deliver the scheme.
- **Additional cameras** - Additional coverage for crime and anti-social behaviour.

- **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.
- **Household Waste Recycling Centre (HWRC)** - Fryers Road - to provide a new Household Waste Recycling Centre at Fryers Road.
- **Brown Jug Compulsory Purchase Order (CPO)** - This is a derelict site, with the potential to CPO to facilitate housing (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.
- **Feasibility costs** – to develop business cases for Regeneration projects.
- **Walsall Arena and Arts Centre Bar and front of house remodelling** - to allow for better access, better facilities and increased bar income from the centre's growing programme of entertainment and private hire business stream. It will also prevent loss of income from customers choosing alternative venues.
- **Road Safety** – promotion of community health and safety.
- **New memorial garden at North Walsall Cemetery** – to provide an additional income source.
- **Garden Waste Treatment** - proposal to supply and install disposal and electricity generation. The process burns dried garden waste using a thermal treatment process called pyrolysis. The heat is used to vaporise a liquid that drives a generator and produces electricity. The electricity produced provides power to operate the facility and additional energy that can be sold to the national grid, creating an income stream.
- **Replacement of PC's in libraries.**
- **Swimming Pool Support Fund match funding** – potential council contribution for energy monitoring systems. A bid has been submitted for Sports England grants towards the costs of installing solar PV panels on the roofs of Bloxwich Active Living Centre and Oak Park Active Living Centre. A £40k council contribution for energy monitoring systems for the two sites will be required if the bid is successful.

Resources and Transformation

- **Commercial Shopping parade roof replacement** - 4 roof replacements across the commercial shopping parades to enable alternative delivery model of operation moving forward to reduce annual revenue and capital maintenance from the council's perspective. Options are also being reviewed regarding disposal options to avoid capital expenditure being required.
- **Relocation of Catering Hub** - Relocation of school meals catering facility from former Sneyd School to enable the demolition and disposal of the surplus former Sneyd School site for development. Options appraisal underway to identify the most appropriate solution. Capital cost is dependent upon identified solution.
- **Demolition of former Sneyd School** - Demolition of former school complex to enable disposal for redevelopment. Demolition to follow grant of outline planning consent for redevelopment and relocation of the Catering Hub and Sneyd Community Association from the building.
- **Continuation of Enabling Technology** - established to provide a core technology platform which would support the council's transformation.
- **Carbon Net Zero Projects** – to be identified from carbon audits.
- **Adult Learning Campus Projects** – supported costs subject to review.
- **Temporary Accommodation Maintenance** - supported costs subject to review.

B. Capital Programme 2024/25 to 2027/28 – Externally Funded Schemes

Directorate	Capital Scheme	Detail of Capital investment	Draft carry forward from 2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	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								
Economy, Environment & Communities	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.	1,015,874	5,338,057	0	0	0	6,353,931
	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. It includes an allocation for potholes and bridge strengthening.	431,476	3,568,700	3,568,700	3,568,700	3,568,700	14,706,276
	Local Network Improvement Plan	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).	0	1,563,100	1,563,100	1,563,100	1,563,100	6,252,400
	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	17,734,466	0	0	0	17,734,466

Directorate	Capital Scheme	Detail of Capital investment	Draft carry forward from 2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
Economy, Environment & Communities	Levelling Up Fund	£3.2m of LPIF Funding as part-funding for the Willenhall Masterplan project to kickstart delivery of over 500 new homes connecting local people in Willenhall to jobs, parks and new rail station.	0	450,000	2,750,000	0	0	3,200,000
	Other schemes carried forward from previous years requiring completion	Local Transport Plan - Yorks Bridge.	5,978	1,365,553	0	0	0	1,371,531
		Limestone surveys.	106,501	0	0	0	0	106,501
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.	See below	See below	See below	See below	See below	See below
		Walsall Towns Deal.	402,552	2,076,399	11,891,369	0	0	14,370,320
		Bloxwich Towns Deal.	527,562	8,841,367	7,076,781	0	0	16,445,710
	Other schemes carried forward from previous years requiring completion	Land & Property Investment Fund.	1,010,644	3,111,000	60,682	0	0	4,182,326
		Growing Places Fund.	660,932	0	0	0	0	660,932
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			4,161,519	44,048,642	26,910,632	5,131,800	5,131,800	85,384,392
People can access support in their community to keep safe and well and remain independent at home								
Children's, Education & Customer Engagement	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

Directorate	Capital Scheme	Detail of Capital investment	Draft carry forward from 2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
Children's, Education & Customer Engagmt	Other schemes carried forward from previous years requiring completion	Purchase of Dispersed Temporary Accommodation.	80,000	523,670	0	0	0	603,670
		Local Authority Housing fund.	204,400	0	0	0	0	204,400
Adult Social Care, Public Health and Hub	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 Clinical Commissioning Group (CCG) and the Council, to be used to purchase equipment which will enable people to return home or continue to remain at home. Now 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
Total People can access support in their community to keep safe and well and remain independent at home			284,400	4,726,441	4,202,771	4,202,771	4,202,771	17,619,154
People are supported to maintain or improve their health, wellbeing and quality of life								
Economy, Environment & Communities	Other schemes carried forward from previous years requiring completion	One Palfrey Big Local Park Improvement Project.	151,500	0	0	0	0	151,500
		Barr Beacon security and infrastructure works.	61,000	0	0	0	0	61,000
Total People are supported to maintain or improve their health, wellbeing and quality of life			212,500	0	0	0	0	212,500
The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring								
Resources and Transformation	Low Carbon Heating Project - Civic Centre / Town Hall / Council House	Low Carbon Heating Project funding (BEIS - 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	3,271,750	0	0	0	3,271,750
	Other schemes carried forward from previous years requiring completion	Civic Centre / Council House Decarbonisation.	200,000	0	0	0	0	200,000

Total The Council will deliver trusted, customer focused, and enabling services, which are recognised by customers and our partners for the value they bring			200,000	3,271,750	0	0	0	3,471,750
Directorate	Capital Scheme	Detail of Capital investment	Draft carry forward from 2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential								
Children's, Education & Customer Engagement	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).	332,040	8,200,000	9,346,409	18,368,088	0	36,246,537
	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).	0	3,195,000	2,285,000	8,862,791	3,888,380	18,231,171
	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.	300,000	2,867,030	3,655,293	4,365,293	4,365,293	15,552,909
Total Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential			632,040	14,772,258	15,796,930	32,106,400	8,763,901	72,071,529

Directorate	Capital Scheme	Detail of Capital investment	Draft carry forward from 2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
Children and young people grow up in connected communities and feel safe everywhere								
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	14,931	64,250	0	0	0	79,181
Total Children and young people grow up in connected communities and feel safe everywhere			14,931	64,250	0	0		79,181
The people of Walsall feel safe in a cleaner, greener Borough								
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	15,734	0	0	0	15,734
Total The people of Walsall feel safe in a cleaner, greener Borough			0	15,734	0	0	0	15,734
Total Draft Capital Programme - External Funded			5,505,390	66,899,075	46,910,333	41,440,971	18,098,472	178,854,240

Summary Capital Programme 2024/25 to 2027/28

Summary Capital Programme	Draft carry forward from 2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
Council Funded Schemes	26,273,215	67,891,078	56,175,517	32,452,901	8,644,223	191,436,934
Externally Funded Schemes	5,505,390	66,899,075	46,910,333	41,440,971	18,098,472	178,854,240
Total Draft Capital Programme	31,778,605	134,790,153	103,085,849	73,893,872	26,742,695	370,291,174

Capital Investment Summary by Directorate

Directorate	Draft carry forward from 2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
Adult Social Care, Public Health and Hub	0	888,000	888,000	888,000	888,000	3,552,000
Children's Services and Customer Engagement:						0
- Children's Services	794,267	16,336,508	16,296,930	32,606,400	9,263,901	75,298,006
- Customer Engagement	284,400	6,130,441	5,736,771	5,737,771	3,801,771	21,691,154
Economy, Environment and Communities	14,870,023	66,283,160	28,861,215	20,040,556	9,290,612	139,345,565
Resources and Transformation	14,734,571	23,703,402	28,651,430	2,953,144	1,511,000	71,553,547
Central / Capital Financing	1,095,344	21,448,642	22,651,504	11,668,001	1,987,411	58,850,902
Total	31,778,605	134,790,153	103,085,849	73,893,872	26,742,695	370,291,174

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 and then extended further for 3 years from 2022/23 to the period up to March 2025.

Councils can only use sale proceeds realised over that period and not pre-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 contain details of projects for the forthcoming financial year (if applicable), along with 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.

The Strategy for 2023/24 was approved by Full Council on 23 February 2023. This annex contains an update of achievement of planned savings and use of the flexibility in 2023/24. Any rephrasing of planned savings linked to the three areas of spend outlined below may result in qualifying expenditure also slipping to match that saving, in which case the FUOCR will be utilised in 2024/25.

For 2024/25, transformation activity is currently under review and should the council propose to use any further flexibility in that year for new savings and new qualifying expenditure, then a report will be brought back to Council outlining the revised Strategy for use.

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 guidance 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 Receipts

Capital receipts performance across the qualifying period have been reviewed. This has confirmed that £4m of capital receipts which have been realised during this period were available for use without any increase to existing assumptions regarding borrowing required to support the capital programme, and this £4m will be utilised within 2023/24 as planned to fund qualifying expenditure.

Summary of Planned Use

The council set out a new approach by which the overall financial savings requirement is expected to be delivered via Proud transformation activity, 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. Savings of £15.71m for 2023/24 align to Proud work streams to 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.

Approved Projects 2022/23

The FUOCR Strategy approved by Council in February 2023 forecast a FUOCR in the 2022/23 financial year of £2.83m. At financial year end 2022/23 the decision was made by the S151 officer not to utilise this level of FUOCR in 2022/23 but instead to defer use to 2023/24. This option was detailed in the FUOCR Strategy in February 2023 and as the proposed projects to be funded are unchanged no updated FUOCR Strategy has been required.

Approved Projects 2023/24

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 2023/24. Should the qualifying expenditure exceed the current forecast of £2.86m, the value of proposed spend on projects in 2024/25 will reduce in line with this. Likewise, should the final 2023/24 use of FUOCR reduce, the value of proposed expenditure in 2024/25 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 2023/24 and 2024/25 is not expected to exceed the £4m.

Proposed Area	Project Area / Work Stream	Forecast Expenditure (Feb' '23 Strategy) £m	Forecast Expenditure 2023/24 £m
Walsall Proud Transformation and Change and Project Management Support	CAM / All Proud Workstreams	0.80	0.18
One-Off Proud Workstream Investment to Deliver Proud Savings	Adult Social Care	1.61	1.48
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	1.20
Total		4.00	2.86

Transformation and Change and Project Management Support

The current forecast shows expenditure of £0.18m compared to planned expenditure of £0.80m. Forecast expenditure has reduced by £0.62m in this area as staffing costs in support of the Customer Access Management (CAM) project have been removed. Costs for the fixed term posts included have provided programme and project management support across multiple Proud workstreams and have therefore helped support delivery of the overall Proud benefits target in 2023/24 with additional detail given in the table below.

Of the £15.71m of budgeted 2023/24 Proud savings and carried forward 2022/23 unachieved savings of £7.55m (total £23.27m) £12.94m are forecast for delivery in 2023/24. Of the remaining £10.33m of at risk savings, £5.20m have been removed as unachievable and the remaining £5.13m will be carried forward for delivery in 2024/25.

Project Area / Work Stream	Forecast Expenditure 2023/24 £m	Benefit for Delivery 2023/24 £m	Forecast Delivery 2023/24 £m	To be carried forward for delivery in 2024/25 £m
Primarily in support of Income Generation & Cost Recovery workstream	0.15	(5.86)	(3.07)	(2.74*)
Primarily in support of Enabling & Support Services workstream	0.03	(1.69)	(1.66)	(0.03)
Total	0.18	(7.55)	(4.73)	(2.77)

*£0.05m of 2023/24 budgeted savings for income generation and cost recovery workstream have been removed as unachievable.

One-Off Proud Workstream Investment to Deliver Proud Savings

The current forecast shows expenditure of £1.48m compared to planned expenditure of £1.61m, giving a £0.13m decrease in forecast expenditure.

The February 2023 FUOCR Strategy detailed a number of projects related to Strength Based Practice and Outcome Based Commissioning to be supported by one off FUOCR funded investment. Of these 2022/23 savings, c£2.72m was estimated to be carried forward for delivery in 2023/24 at that stage; the confirmed year end position was a value of £2.78m. Of these, qualifying expenditure has been utilised to support delivery of £1.91m of these benefits along with an additional £0.92m of 2023/24 budgeted benefits (total £2.83m) as per the table below.

Project Area / Work Stream	Forecast Expenditure 2023/24 £m	Benefit for Delivery 2023/24 £m	Forecast Delivery 2023/24 £m
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; OP89 - Reduction in new clients achieved through strength based working practices and development of resilient communities' framework; OP14 - Extension of existing client reviews and reduction in costs of new client packages compared to budgeted average.	1.48	(2.83)	(2.83)
Total	1.48	(2.83)	(2.83)

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. 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 £1.20m against the previously planned figure of £1.59m. This variance is due to the difference arising between forecast and actual costs, in advance of the completion of service restructures and redesigns.

The forecast £1.20m of expenditure in this area is helping to deliver ongoing revenue savings of £2.21m, £1.49m of which is full year effect delivery of prior year savings, £0.26m is a 2023/24 saving which will be fully delivered in 2024/25 and the remaining £0.46m is new savings to be delivered in 2024/25 (OP39 and OP52 detailed in this report). This forecast is predicated on the expected progress of restructure plans and the assumption that provision for these costs will be made in financial year 2023/24 although payment may not be made until after 31 March 2024.

Proposed Projects 2024/25

The Council proposes to utilise the remaining FUOCR not committed in 2023/24 in the 2024/25 financial year. Based on the current forecast given above this will total £1.14m 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.

Proposed Area	Project Area / Work Stream	Forecast Qualifying Expenditure 2024/25 £m
Walsall Proud Transformation and Change and Project Management Support	All Proud Workstreams	0.04
One-Off Proud Workstream Investment to Deliver Proud Savings – See below	Adult Social Care and Leisure Services	0.29
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	0.81
Total		1.14

Transformation and Change and Project Management Support

This resource will provide support across multiple Proud work streams and as such support in the delivery of the overall 2024/25 saving of £20.10m.

One-Off Proud Workstream Investment to Deliver Proud Savings

The following table details one off investment required to directly support the delivery of specific budgeted Proud savings.

- Qualifying expenditure related to improved systems and processes will support delivery of the ASC 2023/24 saving carried forward for delivery in 2024/25. This is currently forecast at c£3.03m;
- Qualifying expenditure relating to equipment and marketing in leisure services will support delivery of c£25k saving to be delivered over 2024/25 and 2025/26.

Project	Saving Area	Qualifying Expenditure 2024/25 £m
Improved systems & processes: <ul style="list-style-type: none"> Improved Charging Policy & Process. Improved Finance Business Intelligence Controlling cost and maximising income generation through clear joint funding arrangements and tools 	OP94A - Controlling Cost and Maximising Income generation. Clear joint funding arrangements (with CCG) and recharge processes and review and re-profiling of better care fund/ winter pressures; OP13/OP95 - Review for learning disabilities joint funding tool; OP84 - Staffing impact following the implementation of Bettercare Finance System; OP113 part - Efficiencies attributed to the implementation of Bettercare Finance System.	0.25
People are supported to maintain or improve their health, wellbeing and quality of life	P1 (2024/25) - Leisure health checks based on 5% forecast take up	0.04
Total		0.29

Service restructuring and rationalisation

Of the £20.10m of savings proposed for 2024/25, approximately £1.44m align to staffing related work streams. Service restructuring and rationalisation costs will include the costs of interim support to provide redesign capacity and capability and 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 2024/25 forecast of c£0.81m is therefore expected for utilisation of these costs linked to the delivery of Proud savings. Based on the utilisation of £1.20m of this type of expenditure in 2023/24 there is scope for further use of FUOCR in this area should the balance carried forward from 2023/24 exceed the forecast £1.14m. The updated proposed use of FUOCR is therefore as follows:

Proposed Area	Project Area / Work Stream	Total Expenditure £m
Walsall Proud Transformation and Change and Project Management Support	All Proud Workstreams	0.22
One-Off Proud Workstream Investment to Deliver Proud Savings	Adult Social Care and Leisure Services	1.77
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	2.01
Total		4.00

Any proposed spend in 2023/24 which is delayed will roll forward to be used in 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 2024/25. Additional projects which could be considered for qualifying expenditure to utilise the forecast £1.14m up to the maximum £4m FUOCR include:

- Further restructure and redesign costs of c£0.39m (based on 2023/24 use);
- Enabling and Support Services costs of c£0.44m relating to implementation of a self-service portal and improved transactional process efficiencies;
- One off resource to deliver efficiencies relating to Third Party spend (TPS) savings (saving OP76 in this report);
- One off resource to deliver efficiencies relating to digital opportunities (saving OP77 in this report);
- Costs including business analysts, agency and interim, project management costs to support delivery of work stream activity across the change agenda.

Both service transformation plans and existing workstream plans will be analysed and reviewed to design the next stages of transformation in 2024/25. For this reason, a number of new projects meeting the criteria for qualifying expenditure may be developed in this period. Should this lead to a material change in the above strategy an updated version will be produced.

Impact on Prudential Indicators

The Strategy is also required to identify the prudential indicators that will be impacted by this investment. This impact for 2023/24 is as per below:

- Pr11a. - Capital expenditure – Council Resources – increased by £4m.

No other prudential indicators were impacted. Any rephasing of qualifying expenditure to 2024/25 will have an impact on that PI for 2024/25, with a reduced impact for 2023/24. Based on current forecasts, the maximum impact would be £1.14m.

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.

The S151 Officer reserves the flexibility to utilise FUOCR strategy above the £4m identified in this report, should circumstances allow and capital receipts qualify for use.

Monitoring

The Strategy is 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

Section 25 of the Local Government Act 2003 (“the Act”) requires the Chief Finance Officer (S151 Officer) 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 Council is required to take this report into account when making its decision in relation to setting the annual budget and setting the council tax.

Since 2010-11, Walsall has received a 23.5% real terms cut in funding, equivalent to £851 per household. Alongside this and following austerity, the Council has experienced the challenges faced by the pandemic closely followed by the cost of living crisis. The impact of these are still being felt, with significant cost pressures and changes in demand putting a strain on the council’s finances. As the Council continues to operate in a challenging financial environment, with uncertainty over funding beyond 2024/25, it is now more critical than ever to protect longer term financial sustainability that it has an appropriate level of earmarked reserves and general working balance to be able to mitigate any risks that appear in year which cannot be contained within Directorate budgets, avoiding the need for immediate reductions in services.

Reserves

Reserves are one-off money and can only be spent once. In setting an appropriate level of reserves, the Council has to balance the opportunity cost of holding reserves in terms of the impact upon council tax levels against the importance of maintaining adequate reserves and contingencies for planning for medium to longer-term financial resilience.

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.

There is no overall formula for calculating what an appropriate level of reserves should be. Whilst the medium-term financial framework (MTFF) sets out the framework as to what should be a minimum level, the recommended level is based on best practice guidance, best professional judgement of the Chief Finance Officer (CFO) and 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.

In considering the appropriate level of reserves and contingencies to hold, the Chief Finance Officer takes a strategic view of risks facing the Council, including:

- Understanding and managing the appropriate balance between the short- and medium to longer term risks to service delivery and financial stability;
- Planning for potential future financial strains such as statutory overrides of Dedicated Schools Grant (DSG) high needs deficits, gains and losses on investments, etc;
- Possible risks from other ring-fenced funds such as the collection fund, specific grants such as public health, alongside potential future core government funding reductions.

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 (£7.78m) and 2.5% (£19.45m). However, Section 25 of the Act requires the 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 - Budget.

Adequacy of reserves

The CFO assesses and determines the appropriate level of 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 Directorate financial risk assessments;
- Consideration of the Council's track record in relation to delivery of savings;
- 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 - Budget;

- 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.

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 2023/24 outturn and the 2024/25 budget.

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 MTFE 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 reliance on local council tax to fund service provision, and a one year settlement for 2024/25.

The recommended level of the general fund reserve balance takes account of the extent to which specific risks are supported through earmarked reserves. Three earmarked reserves were created in previous years to manage the assessed risk of:

- Cost of Living (COL) reserve to fund pressures deemed as short term (over a period of 18 to 24 months) such as significant fluctuations in energy and fuel costs and to smooth inflationary pressures;
- Risk reserve to manage the impact of in-year delays to delivery of approved savings arising from increased demand, cost of living or capacity and recruitment and retention issues impacting on services' ability to deliver to plan;
- Demand – to manage short term demand pressures (over a period of 18 to 24 months) for example in relation to children's social care (large sibling groups, remand, etc) and to smooth fluctuations and uncertainty in demand levels in specific areas approved by Cabinet (children's movers).

All of the above have been utilised in year (2023/24) with some planned to be further used in the 2024/25 budget as set out in the Budget Plan.

- The COL reserve has been utilised in 2023/24 to the value of £3.45m and a further £2m is planned to be used in 2024/25. This will leave a balance of c£5.05m as at 31 March 2025, considered an appropriate buffer to manage any further emerging cost pressures.
- Risk reserve - the continued need to make savings whilst driving improvements in customer and employee satisfaction over the medium term through 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. As a result, the council holds a risk earmarked risk reserve which has been used in 2023/24 to manage delays in delivery of savings plans of £7.37m, leaving a balance of £5.61m as at 31 March 2024. As part of the financial risk assessment, risks to delivery of the £25.26m of savings included within the 2024/25 budget (£20.10m of new savings plus £5.13m of savings carried forward from 2023/24) have been assessed along with the scale of savings required in 2025/26 - and the risk reserve is deemed at a prudent level sufficient to manage risks to delivery in the year to 2025/26. This is on the basis that any surplus reserves as at 31 March 2024 and 31 March 2025 over above the opening balances required by this statement may be transferred to the risk reserve at year end.
- Demand reserve - £6.33m has been used in 2023/24 to manage pressures in relation to children's movers and manage part of the in year impact of adult social care provider market uplifts which were raised after the budget was set. £3.710m of this was used for unplanned demand pressures. This leaves a balance of £11.21m as at 31 March 2024, of which £9.29m is planned to be used in the 2024/25 budget to support specific pressures within adults social care and children's whilst revised demand management and transformation plans are developed. This leaves a modest balance of £1.92m. As such is it considered prudent to ensure the general fund balance is sufficient to manage any further unknown or volatile in year pressures arising in this area. Therefore the general reserve opening balance takes into account a notional allocation to support further pressures within social care above forecasts.

The level of opening general fund working balance for 2024/24 is also partially dependent on the level of closing balances for 2023/24. The following shows general reserves as at 1 April 2023, together with the proposed use of and transfer to reserves, and the resulting balance as at 1 April 2024, to secure the opening level of reserves recommended by the Chief Finance Officer.

Opening General Reserves	£m
Balance as at 1 April 2023	(18.70)
Transfers to / from earmarked reserves	0.31
Estimated closing balance as at 31 March 2024 and Opening Balance as at 1 April 2024	(18.39)

The financial risk assessment includes the risk of a number of different and varied events occurring within services, arising from economic, legislative, policy, funding, national government and other changes, which would impact services over and above current budgetary provision. These includes, but are not limited to:

- The cost of a major emergency occurring – in accordance with the governments Belwin scheme, the council would incur the first £1.55m of any costs. In light of the pandemic and cost of living impact, it is now prudent to cover this within the general reserve balance;
- Additional waste tonnage costs as a result of part year effects of opening of the new HRWC and MRF, increases in garden waste and landfill waste costs;
- Managing the in year impact of new contract arrangements currently being retendered or negotiated, should these not be manageable within existing service budgets;
- The risk of bed and breakfast accommodation costs rising to national levels as opposed to locally projected levels;
- The risk of further losses of income over projected levels across all directorates;
- 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;
- Loss of grant funding where allocations are not yet final;
- Unknown liabilities that may arise after the budget is set, for example from changes in legislation or statutory guidance;
- The risk of additional children in care inflows and placement costs and increased costs of adults social care packages following reviews - consideration will be given to earmarking some of the general fund balance to the demand reserve to manage this;
- The increased risk of savings yet to be allocated to services, whilst revised transformation and delivery plans are developed;

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. This level of balance 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;
- The level of operational, strategic and financial risks facing the authority, as set out in this statement;
- The use of earmarked reserves above planned levels in 2023/24 to 2025/26 to mitigate in year pressures and provide time to develop revised demand management and transformation plans for adult social care and children's, resulting in reduced flexibility in the ability to further use earmarked reserves in this way:
 - During 2023/24 unplanned reserves and central budgets totalling £16.55m were used;
 - During 2024/25 a further £17.73m of earmarked reserves have been used;
 - During 2025/26, £4.08m of reserves will be used;
 - This total use is £38.36m over and above use of any reserves which are planned, such as use of carry forward of grants, etc.
 - Whilst manageable, as the COL/Risk/Demand reserves were created for this specific purpose, those reserves have now reduced considerably and

therefore this creates further risk which needs to be covered via the general working balance.

- The scale of the savings required in 2025/26 and over the MTFO period;
- Uncertainty around future demand led services, specifically within adult and children’s social care.

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 £18.39m. This is based on the following assessed categories of financial risk:

Financial Risk Assessment	£m
Funding risks – fall out of grant, council tax changes, etc	0.20
Cost Pressures including national, economic and legislative impact / Risk	16.33
Loss of Income / Investments	1.86
Assessed General Reserve Requirement	18.39

Earmarked Reserves

The council maintains a number of reserves, earmarked to provide for specific future expenditure plans. These cover:

- **Treasury reserves.** These reserves are to manage and smooth the impact of interest rate changes over the MFTO period and finance early redemption of loans to reduce the council’s future interest exposure – it includes Minimum Revenue Provision (MRP), Borrowing smoothing & repayments, preparing for the statutory override to cease, funding in year pipeline investments capital costs;
- **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 must be spent in line with the grant conditions. This category also includes ringfenced income such as building control fees, etc;
- **Improvement projects.** These reserves are to finance service modernisation and specific projects such as Cloud services, Oracle development, economic growth programme; and costs in relation to the council’s transformation programme, Pledges, TCMP, Willenhall master plan. The majority have been through Cabinet approval;
- **Cost pressures.** Includes cost of living pressures above those budgeted which are short term or one-off and unmanageable post budget setting within existing budget and includes smoothing of costs over 12+ months whilst reviews are undertaken to reduce demand / pressures on an ongoing basis;
- **Council liabilities.** These reserves cover expenditure where the council has a legal obligation to pay costs, such as Insurance claims and self-financing costs, legal costs/claims, collection fund liabilities to smooth the impact of deficits on the general fund, HB subsidy claim, abortive costs, pension past service/contribution rate smoothing and redundancy costs;
- **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 at the time the budget was set and manage any delays

- in delivery of savings due to unforeseen circumstances;
- **Other.** Other small reserves to cover one-off planned costs such as the fraud contract and investigations CQC costs, buy v lease in relation to vehicles and equipment.
- Additionally, the council holds Schools' reserves but these are restricted funds not controlled by the council.

A regular review of earmarked reserves is undertaken, with reviews taking place specifically during the annual budget setting and final accounts processes, and funds are adjusted as required or released where a liability is assessed as ceased. The expected level of earmarked reserves as at 1 April 2024 is as follows and is considered reasonable and prudent. All earmarked reserves are earmarked for a specific purpose as set out above and are released on the approval of the Chief Finance Officer.

Earmarked Reserves	£m
Balance as at 1 April 2023	(188.75)
Planned / Approved to be used (transfers from) in year*	26.49
Planned / Approved transfers to reserves in year*	(17.12)
Further use of reserves to support corporate pressures (unplanned mitigation)	16.55
Replenishment of treasury reserves	(6.81)
Estimated Closing Balance as at 31 March 2024	(169.64)
Net transfers to / use of earmarked reserves in 2024/25 Budget	17.73
Estimated Opening Balance as at 1 April 2024	(151.91)
Use of Reserves in 2025/26 Budget	4.53
Adjusted balance	(147.38)

**As per monitoring reports to CMT and Cabinet throughout 2023/24, this is the planned approved transfer to and use of earmarked reserves in year, primarily the use of grants, and the use of any further use approved by Cabinet in year to support the overall position..*

The following table provides opening and closing levels of reserves for 2023/24 to 2025/26.

Earmarked Reserves Balances 2023/24 to 2025/26					
	Closing Balance 2023/24	Use of reserves 2024/25	Closing Balance 2024/25	Use of Reserves in & transfers in 2025/26 per 2024/25 Budget	Closing Balance 2025/26
	£m	£m	£m	£m	£m
Treasury Reserves	35.74	(1.97)	33.76	(2.50)	31.26
Grant / Contributions received in advance	13.20	(0.50)	12.70	(0.50)	12.20
Improvement projects	22.17	(0.53)	21.64	0.00	21.64
Cost Pressures	20.07	(10.95)	9.12	1.66	10.77
Council Liabilities	54.44	(3.32)	51.12	(2.74)	48.38
COVID-19	0.67	0.00	0.67	0.00	0.67
Public Finance Initiatives	15.66	(0.45)	15.21	(0.45)	14.76
Risk	5.61	0.00	5.61	0.00	5.61
Other	2.08	0.00	2.08	0.00	2.08
Total	169.64	(17.72)	151.92	(4.53)	147.38

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 2024/25 this is to be set at £1.17m (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 2024/25 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 2024/25 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 2024/25.

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 and is forecasting an in-year surplus for 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 2023/24 the level of schools reserves are forecast to move from an opening balance of £11.12m to a closing balance of £8.84m, a planned reduction of £2.28m which is mainly linked to the need to fund pay awards and increased energy costs.

Nationally a significant number of authorities are experiencing difficulties managing the increasing demand for high needs support against the funding that is available within the High Needs block of Dedicated Schools Grant (DSG). This has resulted in financial pressures for those authorities and the need to develop DSG Management Plans to set out how a financially viable position will be achieved over the medium term. Whilst Walsall has also seen an increase in demand for these services, it has to date been able to effectively

manage those increases within the totality of High Needs funding that has been available to it. However given the national position, the ongoing increase in demand expected in Walsall, and the fact that the DfE have confirmed that the statutory override (which differentiates DSG funding from other council funding, meaning at present any overspends on DSG do not need to be funded from other council resources) will be removed at the end of the 2026/27 financial year, there is now a requirement for Walsall to also develop and maintain a DSG Management plan which was reported to Schools Forum and Cabinet in March 2023 with an update due to be presented in March 2024.

The DSG Management plan covers a rolling 5 year period (current financial year plus the next 4 financial years) and sets out the estimated High Needs funding that the authority will receive over that period, the likely demand for high needs support and estimated cost of providing that, and whether that is affordable within the funding that will be available. Where it is not affordable actions to mitigate this position need to be identified and implemented. The position reported to Schools Forum and Cabinet in March 2023 showed an unmitigated deficit position of £2.845m and a mitigated (subject to the implementation of a number of actions) surplus position of £0.138m at the end of 2026/27. This position will be kept under close review to ensure no impact on the council's overall finances.

Overall Assessment of Reserves

An opening level of general reserves of not less than £18.39m is considered to be sufficient for most possible events, over the short-term i.e., for 2024/25. 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 2024/25 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 using the funds to invest in service improvements or smooth council tax increases. In assessing this it is important to consider that reserves can only be used once. Therefore, any use of general or earmarked reserves is only ever used on one-off items of expenditure or short term pressures to smooth transitions between years whilst revised delivery or transformation plans are being developed and implemented. 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 £18.39m 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 £18.39m, 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 economic outlook beyond 2024/25 remains uncertain in relation to interest rates, inflation and future Government funding. The environment in which the council operates continues to be one of unprecedented financial challenges arising from the cost of living crisis and the high inflation driving higher pay and energy and contracted services costs, the increase in demand and the cost of more complex needs in relation to social care. Appropriate inflationary growth has been included in the budget based on current and forecast projections, review of contract conditions and by taking soundings for example in relation to future inflationary and pay projections.

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 2024/25 are planned to be covered by a combination of base budget alignments to recognise the agreed ongoing management of corrective action undertaken during 2023/24 or base budget adjustments, where growth/investment is included within the 2024/25 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 2024/25 and 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.

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. The Council is in transition in relation to its Council Plan and Transformation Plan, and this budget provides an appropriate use of reserves for 2024/25 to allow a smooth transition and allow for alignment of the budget process for 2025/26 and beyond to these revised plans.

Savings plans for two of the new savings relate to reductions in third party spend and digital opportunities. Plans will need to be in place to deliver these by 1 April 2024 to provide assurance around deliverability of plans. The remaining £20.1m of planned savings have plans in place to deliver.

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 2024/25.

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 Director of Finance, Corporate Landlord and Assurance 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).

Date: 30 January 2024

Shaun Darcy
Director, Finance, Corporate Landlord and Assurance
Chief Finance Officer (S151 Officer)

Section B - Part 2 – Treasury Management

A: Treasury Management and Investment Strategy for 2024/25 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 borrowing, investments and cash flows, including 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.”

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 – The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy report which will 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 the strategy is to ensure that all the Authority's elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite. Further information can be found at **Part 1 Annex 8** of the 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.

Quarterly reports – In addition to the four major reports detailed above, from 2023/24 quarterly reporting (end of June/end of December) is also required. However, these additional reports do not have to be reported to Full Council/Board but do require to be adequately scrutinised. This role is undertaken by Cabinet. (The reports, specifically, should comprise updated Treasury/Prudential Indicators.)

1.2 Treasury Management Strategy for 2024/25

The strategy for 2024/25 covers two main areas:

Capital issues

- capital plans and the associated 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, Department of Levelling Up, Housing and Communities (DLUHC) Investment Guidance, DLUHC MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

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 tailored learning plans for treasury management officers and council members.
- Require treasury management officers and council members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the organisation).
- 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 December 2023 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 be 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. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Authority will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

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 2024/25 – 2026/27

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 2024/25 capital programme is outlined in **section 3** of the budget plan at **Section B Part 1** of this report, along with a summary of the draft capital programme over the plan period 2024/25 to 2027/28, with full details by scheme at **Annex 9**. Capital Strategy attached at **Annex 8** of the budget plan at **Section B Part 1** of this report.

Table 1: Current Capital Programme					
	2023/24 Forecast £m	2024/25 Estimated £m	2025/26 Estimated £m	2026/27 Estimated £m	2027/28 Estimated £m
Total Capital Expenditure	106.81	166.57	103.09	73.89	26.74
Resourced by:					
Capital receipts	1.50	1.50	1.50	1.50	1.50
Capital grants	70.90	72.41	46.91	41.44	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	34.39	92.64	54.66	30.93	7.12
Total resources available	106.81	166.57	103.09	73.89	26.74

2.2 Affordability Indicators

Within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Authority'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.

Table 2: Former Prudential Indicator 2					
	2023/24 Actual	2024/25 Estimated	2025/26 Estimated	2026/27 Estimated	2027/28 Estimated
Ratio	5.24%	6.65%	3.17%	3.74%	4.43%

The estimates of financing costs include current commitments and the proposals in this budget report.

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 and so charges the economic consumption of capital assets as they are used.

The CFR includes 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 £3.28m 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 2023/24 to the end of 2027/28 is estimated to see an increase of £164.71m. The council's borrowing strategy is set out in section 4.

Table 3: Analysis of CFR					
	2023/24 Forecast £m	2024/25 Estimated £m	2025/26 Estimated £m	2026/27 Estimated £m	2027/28 Estimated £m
Opening Capital Financing Requirement	390.815	412.118	444.075	504.992	507.629
Adjustments for IFRS 16	0.000	7.630	0.000	0.000	0.000
Revised opening CFR	390.815	419.748	444.075	504.992	507.629
<i>Net financing need for the year</i>					
Less MRP and other financing movements	-14.307	-16.075	-17.827	-18.134	-18.862
Additional borrowing	35.610	37.443	77.345	20.073	66.762
New Right of Use leased assets	0.000	2.959	1.399	0.698	0.000
Movement in CFR	21.303	24.327	60.917	2.637	47.900
Closing Capital Financing Requirement	412.118	444.075	504.992	507.629	555.529

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 interest rates are elevated compared to the historical position.

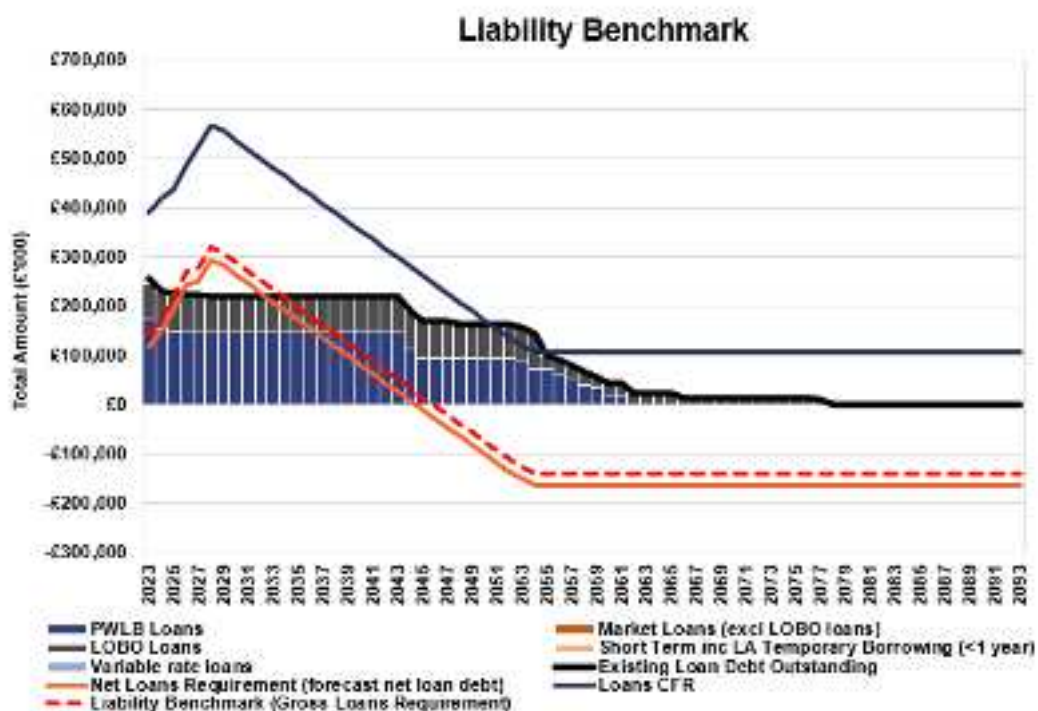
2.4 Liability Benchmark

The Authority is required to estimate and measure the Liability Benchmark (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 has a borrowing need from 2025 as the benchmark is above the existing loan portfolio. This is mainly due to the Council being in an under-borrowed position, borrowing has been delayed as long as possible due to the high interest rate environment.

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 2023/24 with borrowing of over 1 year length of approximately £275m against an asset base of approximately £584m, and investments of approximately £109m, which will be proactively managed to minimise borrowing costs and maximise investment returns within a robust risk management environment. In 2024/25 estimated annual interest payments are £13.13m (£11.39m budget for 2023/24), 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 2024/25 is estimated to be £4.58m (£4.58m budget for 2023/24). The net budget for capital financing in 2024/25 is £27.91m (£25.94m in 2023/24).

The council's treasury portfolio position at 31st December 2023 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.

Table 4: Borrowing and Investments			
	Borrowing £m	Investments £m	Net Borrowing £m
31 March 2023	265.59	(140.77)	124.82
31 December 2023	235.59	(95.59)	140.00
Change in year	(30.00)	45.18	15.18

Table 5: Borrowing Forward Projections				
Borrowing profile	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Under 12 Months	6.11	0.00	1.89	0.00
12 Months to within 24 Months	0.00	1.89	0.00	0.00
24 Months to within 5 Years	1.89	0.00	0.00	0.00
5 Years to within 10 Years	0.00	0.46	0.46	0.46
10 Years and Above	289.53	355.45	410.10	471.03
Total Borrowing	297.53	357.80	412.45	471.49
Operational Debt - Prudential Indicator 6	437.36	498.28	500.91	548.81
(Under) / Over Borrowed	(139.83)	(140.48)	(88.46)	(77.32)

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 2024/25 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:

Table 6: Authorised Limit £m - Prudential Indicator 5					
	2023/24 Forecast £m	2024/25 Estimated £m	2025/26 Estimated £m	2026/27 Estimated £m	2027/28 Estimated £m
Total	474.38	481.10	548.10	551.00	603.69

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 £4.03m in 2023/24) from the capital financing requirement (CFR) and then adding any expected in year cash-flow borrowing requirements.

Table 7: Operational Boundary £m - Prudential Indicator 6					
	2023/24 Forecast £m	2024/25 Estimated £m	2025/26 Estimated £m	2026/27 Estimated £m	2027/28 Estimated £m
Total	431.25	437.36	498.28	500.91	548.81

4.3 Prospects for interest rates

The Authority has appointed Link Group as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. Link provided the following forecasts on 08 January 2024. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View 08.01.24													
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE	5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	4.80	4.30	3.80	3.30	3.00	3.00	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.20	5.10	4.60	4.10	3.70	3.30	3.10	3.10	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.00	4.90	4.40	3.90	3.60	3.20	3.10	3.10	3.10	3.10	3.10	3.20	3.20
5 yr PWLB	4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.50	3.50	3.50	3.50
10 yr PWLB	4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70
25 yr PWLB	5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10
50 yr PWLB	5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90

Commentary from Link Group (the Council’s Treasury Advisors) as at January 2024

Links central forecast for interest rates was previously updated on 7 November and reflected a view that the Monetary Policy Committee (MPC) would be keen to further demonstrate its anti-inflation credentials by keeping Bank Rate at 5.25% until at least the second half of 2024. We expect rate cuts to start when both the Consumer Price Index (CPI) inflation and wage/employment data are supportive of such a move, and that there is a likelihood of the overall economy enduring at least a mild recession over the coming months, although most recent Gross Domestic Product (GDP) releases have surprised with their on-going robustness.

Naturally, timing on this matter will remain 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.

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 also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.

On the positive side, consumers are still anticipated to be sitting on some excess savings left over from the pandemic, which could cushion some of the impact of the above challenges and may be the reason why the economy is performing somewhat better at this stage of the economic cycle than may have been expected. However, as noted previously, most of those excess savings are held by more affluent households whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

PWLB RATES

The short and medium part of the gilt curve has rallied since the start of November as markets price in a quicker reduction in Bank Rate through 2024 and 2025 than held sway back then. This reflects market confidence in inflation falling back in a similar manner to that already seen in the US and the Euro-zone. At the time of writing there is c70 basis points difference between the 5 and 50 year parts of the curve.

The balance of risks to the UK economy:

The overall balance of risks to economic growth in the UK is even.

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, could keep gilt yields high for longer).
- **The Bank of England** has increased Bank Rate too fast and too far over recent months, and subsequently brings about a deeper and longer UK recession 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, the Middle East, China/Taiwan/US, Iran and North Korea, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates include:

- Despite the tightening in Bank Rate to 5.25%, the **Bank of England allows inflationary pressures to remain elevated** for a long period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project.
- **The pound weakens** because of a lack of confidence in the UK Government's pre-election fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Longer-term **US treasury yields** rise strongly if inflation remains more stubborn there than the market currently anticipates, consequently pulling gilt yields up higher. (We saw some movements of this type through October although generally reversed in the last week or so.)
- Projected **gilt issuance, inclusive of natural maturities and Quantitative Tightening**, could be too much for the markets to comfortably digest without higher yields compensating.

LINK GROUP FORECASTS

We now expect the MPC will keep Bank Rate at 5.25% until the second half of 2024, to combat on-going inflationary and wage pressures, even if they have dampened

somewhat of late. We do not think that the MPC will increase Bank Rate above 5.25%.

Gilt yields and PWLB rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, as inflation continues to fall through 2024.

Our target borrowing rates are set **two years forward** (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -

PWLB debt	Current borrowing rate as at 08.01.24 p.m.	Target borrowing rate now (end of Q4 2025)	Target borrowing rate previous (end of Q3 2025)
5 years	4.53%	3.70%	3.80%
10 years	4.67%	3.90%	3.80%
25 years	5.19%	4.20%	4.20%
50 years	4.97%	4.00%	4.00%

Borrowing advice: Our long-term (beyond 10 years) forecast for Bank Rate remains at 3% and reflects Capital Economics' research that suggests AI and general improvements in productivity will be supportive of a higher neutral interest rate. As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates will remain elevated for some time to come but may prove the best option whilst the market continues to factor in Bank Rate reductions for 2024 and later.

Our suggested budgeted earnings rates for investments up to about three months' duration in each financial year are set out below.

Average earnings in each year	Now	Previously
2023/24 (residual)	5.30%	5.30%
2024/25	4.55%	4.70%
2025/26	3.10%	3.20%
2026/27	3.00%	3.00%
2027/28	3.25%	3.25%
2028/29	3.25%	3.25%
Years 6 to 10	3.25%	3.25%
Years 10+	3.25%	3.25%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. 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 **5.46%** - **Changed from 4.21% in view of planned borrowing.**
- L6.** Average interest rate for total debt (including other local authority debt) will be equal to or less than **5.51%** - **Changed from 4.33% 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 is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate remains elevated through to the second half of 2024.

Against this background and the risks within the economic forecast, caution will be adopted with the 2024/25 treasury operations. The Head of Finance – Deputy S151 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:

Table 8: Borrowing Limits	2024/25	2025/26	2026/27
Prudential Code Indicator 10 Upper limits on fixed interest rate exposures.	95%	95%	95%
Lower limits on fixed interest rate exposures	40%	40%	40%
Prudential Code Indicator 11 Upper limits on variable interest rate exposures	45%	45%	45%
Lower limits on variable interest rate exposures	0%	0%	0%
Prudential Code Indicator 12 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	0%	0%	0%
10 years and above	30%	30%	30%
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

Rescheduling of current borrowing in the debt portfolio may be considered whilst premature redemption rates remain elevated but only if there is surplus cash available to facilitate any repayment. 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 £m	2024/25 £m	2025/26 £m	2026/27 £m
Opening Balance	12.566	16.423	17.490	13.061
Transfer to Reserves	3.857	1.067	(4.429)	2.506
Closing Balance	16.423	17.490	13.061	15.567

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 and service investments, are covered in the Capital Strategy (see **Part 1 Annex 8** of the 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 – Deputy S151 Officer 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 – 20% - **a change from 35%**.
When the indicator was originally set the interest rate environment was very different, at call rates were very low and there was scope to achieve a higher return by placing funds for longer. Currently there is an inverted yield curve as interest rate cuts are expected, this means that there is little difference in rates between placing funds overnight or short-term.
- L9.** Average interest rate received on:
At call investments – 3.98% - **a change from 2.50%**
Short-term investments – 4.00% - **a change from 3.75%**
Long-term investments – 4.20% - **a change from 4.00%**
Property Funds – 4.10% - **a change from 3.56%**
- L10** Average rate on at call and short-term investments will be equal to or greater than 3.99% - **a change from 3.39%**
- L11** Average interest rate received on all investments:
Including Property Funds – 4.00% - **a change from 4.54%**
Excluding Property Funds – 4.03% - **a change from 3.48%**
- L12** % daily bank balances within a target range of 99% - **no change**.

Should the forecast for decreases in inflation increase, there could be a downside risk i.e. Bank Rate decreases 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:

Prudential Indicator 13 Maximum principal sums invested > 365 days			
£m	2024/25	2025/26	2026/27
Principal sums invested > 365 days	£25m	£25m	£25m
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	2023/24 Forecast	2024/25 Estimated	2025/26 Estimated	2026/27 Estimated
PRL 1	a. Capital expenditure - Council Resources - £m	35.91	94.16	56.18	32.45
	b. Capital expenditure - External Resources - £m	70.90	72.41	46.91	41.44
Former PRL 2	Estimates of the ratio of financing costs to the net revenue stream	5.24%	6.65%	3.17%	3.74%
L. 3	a. Financing costs as % of Council Tax Requirement	2.61%	20%	20%	20%
	b. Financing costs as % of Tax Revenues	1.74%	12.50%	12.50%	12.50%
L. 4	Actual debt v operational debt within the following range	55.51%	85.00%	85.00%	85.00%
L. 5	Average interest rate of debt excluding other local authority debt	4.11%	5.46%	5.91%	5.05%
L. 6	Average interest rate of debt including other local authority debt	4.16%	5.51%	5.93%	5.05%
L. 9	Average interest rate received on:				
	a. At Call Investments	4.71%	3.98%	2.98%	2.10%
	b. Short Term Investments	4.88%	4.00%	2.80%	2.80%
	c. Long Term Investments	5.01%	4.20%	3.00%	3.00%
	d. Property Fund	4.35%	4.10%	4.10%	4.10%
L. 10	Average interest rate on all ST investments (ST and At Call)	4.78%	3.99%	2.85%	2.59%
L. 11	a. Average interest rate on all investments (excluding property fund)	4.79%	4.00%	2.86%	2.61%
	b. Average interest rate on all investments (including property fund)	4.70%	4.03%	3.17%	2.99%
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 **2023/24 and 2024/25** (no change to the policy in 2022/23) 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 2023 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 2023 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 council does not hold any material investment properties, however it is recognised the council does own the Saddlers Shopping Centre and the Old Square Shopping Centre both of which categorised as operational assets in line with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

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 (2023/24 Forecast)	Ratio (2024/25 Estimate)	Ratio (2025/26 Estimate)	Ratio (2026/27 Estimate)	Ratio (2027/28 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).	1.26:1	1.14:1	1.31:1	1.38:1	1.55:1
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

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. The authority does not hold any assets classified as 'Other Investments'.

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 2022/23 Statement of Accounts

Walsall Council 2024/25 Budget Plan with a summary of the 2024/25 capital programme outlined in **section 3** of the budget plan at **Section B Part 1** of this report, along with a summary of the draft capital programme over the plan period 2024/25 to 2027/28, with full details by scheme at **Annex 9**.

Walsall Council 2024/25 Capital Strategy (see **Part 1 Annex 8** of the Budget Plan)

Part 2 Annex 4 – Economic Background

This Economic Commentary is based upon information provided by the Councils Treasury Management Advisors – Link Group.

- The third quarter of 2023/24 saw:
 - A 0.3% month/month decline in real Gross Domestic Product (GDP) in October, potentially partly due to unseasonably wet weather, but also due to the ongoing drag from higher interest rates. Growth for the second quarter, ending 30th September, was revised downwards to -0.1% and growth on an annual basis was also revised downwards, to 0.3%;
 - A sharp fall in wage growth, with the headline 3 month year on year rate declining from 8.0% in September to 7.2% in October, although the Office for National Statistics (ONS) “experimental” rate of unemployment has remained low at 4.2%;
 - Consumer Price Index (CPI) inflation continuing on its downward trajectory, from 8.7% in April to 4.6% in October, then again to 3.9% in November;
 - Core CPI inflation decreasing from April and May’s 31 years’ high of 7.1% to 5.1% in November, the lowest rate since January 2022;
 - The Bank of England holding Bank Rate at 5.25% in November and December;
 - A steady fall in 10-year gilt yields as investors revised their interest rate expectations lower.
- The revision of GDP data in Q2 to a 0.1% quarter on quarter fall may mean the mildest of mild recessions has begun. Indeed, real GDP in October fell 0.3% month on month which does suggest that the economy may stagnate again in quarter 3. The weakness in October may partly be due to the unseasonably wet weather. That said, as the weakness was broad based it may also be the case that the ongoing drag from higher interest rates is more than offsetting any boost from the rise in real wages.
- However, the rise in the flash composite activity Purchasing Managers Index (PMI), from 50.7 in November to 51.7 in December, did increase the chances of the economy avoiding a contraction in quarter 3. The improvement was entirely driven by the increase in the services activity balance from 50.9 to 52.7. (Scores above 50 point to expansion in the economy, although only tepid in this instance.) The press release noted that this was primarily driven by a revival in consumer demand in the technological and financial services sectors. This chimes with the further improvement in the GfK measure of consumer confidence in December, from -24 to -22. The services PMI is now consistent with non-retail services output growing by 0.5% quarter on quarter in quarter 3, but this is in stark contrast to the manufacturing sector where the output balance slumped from 49.2 to 45.9 and, at face value, the output balance is consistent with a 1.5% quarter on quarter fall in manufacturing output in quarter 3.
- The 0.3% month on month fall in retail sales volumes in October means that after contracting by 1.0% quarter on quarter (which was downwardly revised from -0.8% q/q) in quarter 2, retail activity remained weak at the start of quarter 3. That suggests higher interest rates are taking a bigger toll on real consumer spending.
- Higher interest rates have filtered through the financial channels and weakened the housing market but, overall, it remains surprisingly resilient with the Halifax house price index recently pointing to a 1.7% year on year increase whilst Nationwide’s December

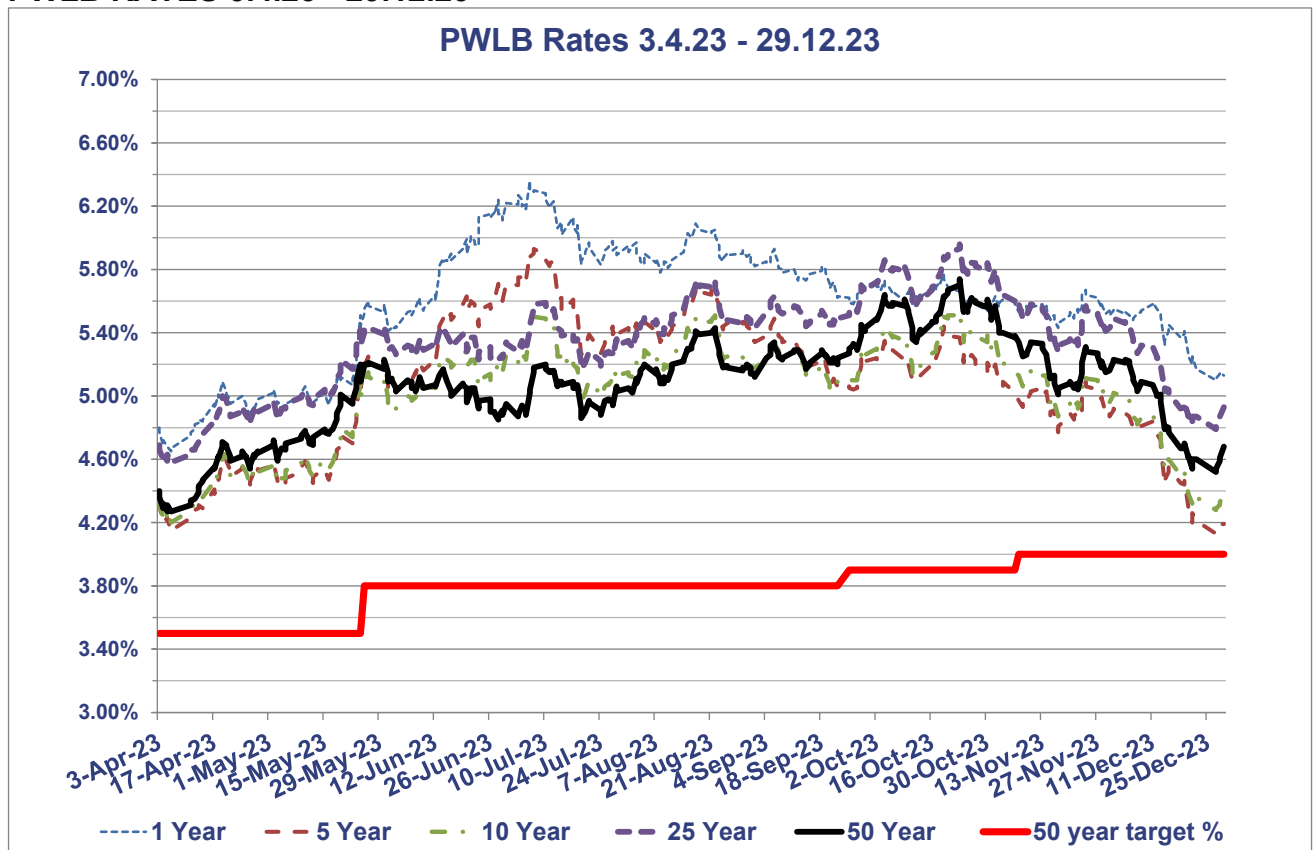
data pointed to a -1.8% year on year decrease. However, the full weakness in real consumer spending and real business investment has yet to come as currently it is estimated that around two thirds to a half of the impact of higher interest rates on household interest payments has yet to be felt.

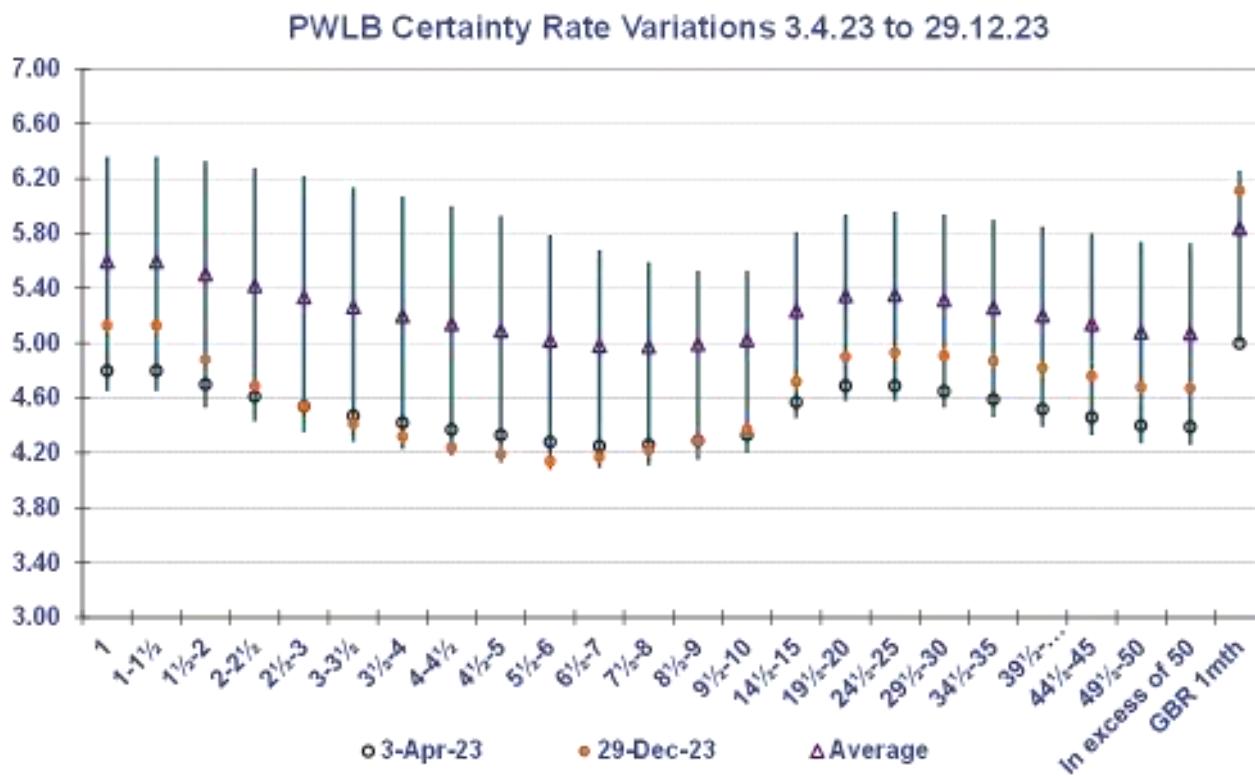
- Overall, we expect real GDP growth to remain subdued throughout 2024 as the drag from higher interest rates is protracted but a fading of the cost-of-living crisis and interest rate cuts in the second half of 2024 will support a recovery in GDP growth in 2025.
- The labour market remains tight by historical standards, but the sharp fall in wage growth seen in October will reinforce the growing belief in markets that interest rates will be cut mid-2024. Wage growth eased in October much faster than the consensus expected. Total earnings fell by 1.6% month on month, which meant the headline 3 month year on year rate eased from 8.0% in September to 7.2% in October. This news will be welcomed by the Bank of England. Indeed, the timelier three-month annualised rate of average earnings growth fell from +2.4% to -1.2%. Excluding bonuses, it fell from 5.3% to 2.0%. Furthermore, one of the Bank's key barometers of inflation persistence, regular private sector pay growth, dropped from 7.9% 3 month year on year to 7.3%, which leaves it comfortably on track to fall to 7.2% by December, as predicted by the Bank in November.
- The fall in wage growth occurred despite labour demand being stronger in October than expected. The three-month change in employment eased only a touch from +52,000 in September to +50,000 in October. But resilient labour demand was offset by a further 63,000 rise in the supply of workers in the three months to October. That meant labour supply exceeded its pre-pandemic level for the first time, and the unemployment rate remained at 4.2% in October. In the three months to November, the number of job vacancies fell for the 17th month in a row, from around 959,000 in October to around 949,000. That has reduced the vacancy to unemployment ratio as demand for labour eases relative to supply, which may support a further easing in wage growth in the coming months.
- CPI inflation fell from 6.7% in September to 4.6% in October, and then again to 3.9% in November. Both these falls were bigger than expected and there are clear signs of easing in domestic inflationary pressures. The fall in core CPI inflation from 5.7% to 5.1% in November was bigger than expected (consensus forecast 5.6%). That's the lowest rate since January 2022. Some of the decline in core inflation was due to the global influence of core goods inflation, which slowed from 4.3% to 3.3%. But some of it was due to services inflation falling from 6.6% to 6.3%. The Bank views the latter as a key barometer of the persistence of inflation and it came in further below the Bank's forecast of 6.9% in its November Monetary Policy Report. This will give the Bank more confidence that services inflation is now on a firmly downward path.
- The Bank of England sprung no surprises with its December Monetary Policy Committee (MPC) meeting, leaving interest rates at 5.25% for the third time in a row and pushing back against the prospect of near-term interest rate cuts. The Bank continued to sound hawkish, with the MPC maintaining its tightening bias saying that "further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures". And it stuck to the familiar script, saying that policy will be "sufficiently restrictive for sufficiently long" and that "monetary policy is likely to need to be restrictive for an extended period of time". In other words, the message is that the MPC is not yet willing to endorse investors' expectations that rates will be cut as soon as May 2024.

- Looking ahead, our colleagues at Capital Economics forecast that the recent downward trends in CPI and core inflation will stall over the next few months before starting to decline more decisively again in February. That explains why we think the Bank of England won't feel comfortable cutting interest rates until second half of 2024.
- The fall in UK market interest rate expectations in December has driven most of the decline in 10-year gilt yields, which have fallen in line with 10-year US Treasury and euro-zone yields. 10-year gilt yields have fallen from 4.68% in October 2023 to around 3.70% in early January, with further declines likely if the falling inflation story is maintained.
- Investors' growing expectations that the Fed will cut interest rates soon has led to an improvement in risk sentiment, which has boosted the pound and other risky assets. In addition, the rise in the pound, from \$1.21 in November to \$1.27 now, has also been supported by the recent relative decline in UK wholesale gas prices.
- The further fall in 10-year real gilt yields in December has supported the recent rise in the FTSE 100. That said, the index remains 5% below its record high in February 2023. This modest rise in equities appears to have been mostly driven by strong performances in the industrials and rate-sensitive technology sectors. But UK equities have continued to underperform US and euro-zone equities. The FTSE 100 has risen by 2.2% in December, while the S&P 500 has risen by 3.8%. This is partly due to lower energy prices, which have been a relatively bigger drag on the FTSE 100, due to the index's high concentration of energy companies.

In the chart below, the rise in gilt yields across the curve in the first half of 2023/24, and therein PWLB rates, is clear to see, prior to the end of year rally based on a mix of supportive domestic and international factors.

PWLB RATES 3.4.23 - 29.12.23





HIGH/LOW/AVERAGE PWLB RATES FOR 03/04/2023 – 29/12/2023

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	4.65%	4.13%	4.20%	4.58%	4.27%
Date	06/04/2023	27/12/2023	06/04/2023	06/04/2023	05/04/2023
High	6.36%	5.93%	5.53%	5.96%	5.74%
Date	06/07/2023	07/07/2023	23/10/2023	23/10/2023	23/10/2023
Average	5.60%	5.09%	5.03%	5.35%	5.08%
Spread	1.71%	1.80%	1.33%	1.38%	1.47%

MPC meetings 2nd November and 14th December 2023

- On 2 November 2023, the Bank of England’s Monetary Policy Committee (MPC) voted to keep Bank Rate on hold at 5.25%, and on 14 December 2023 reiterated that view. Both increases reflected a split vote, the latter by 6 votes to 3, with the minority grouping voting for an increase of 0.25% as concerns about “sticky” inflation remained in place.
- Nonetheless, with UK CPI inflation now at 3.9%, and core inflating beginning to moderate (5.1%), markets are voicing a view that rate cuts should begin in Q1 2024/25, some way ahead of the indications from MPC members. Of course, the data will be the ultimate determinant, so upcoming publications of employment, wages and inflation numbers will be of particular importance, and on-going volatility in Bank Rate expectations and the gilt yield curve can be expected.

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 2023/24 & 2024/25 ONWARDS

Walsall Council defines its treasury management activities as:

“The management of the local authority’s borrowing, investments and cash flows, including 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 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 – Deputy S151 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 – Deputy S151 and Technical & Transactional Finance Manager, 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		Not Prime	C		C		C		C	
				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
Credit ratings for	Short term	P3	A-3	F2
	Long term	A3	A-	A-

individual counterparties can change at any time. The Head of Finance – Deputy S151 and the Technical & Transactional Finance Manager 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 – Deputy S151 or Technical & Transactional Finance Manager.

- 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:

Organisation	Criteria	Max Amount	Max Period
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.

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 Head of Finance – Deputy S151 Officer.

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 or Head of Finance - deputy S151 shall arrange 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 exception to this are the approved investments in a Property Fund where the 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.

Activity	Prepared by	Delegation / Accountability
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 – Deputy S151 / Technical & Transactional Finance Manager	S151 Officer
Review the debt portfolio and reschedule loans when considered appropriate	Technical & Transactional Finance Manager	S151 Officer
Updates to TM Practices	Head of Finance – Deputy S151 / Technical & Transactional Finance Manager	S151 Officer
Undertake budget monitoring and initiate actions when necessary	Technical & Transactional Finance Manager/Senior Treasury & Banking Manager	Head of Finance – Deputy S151
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	Technical & Transactional Finance Manager Senior Treasury & Banking Manager	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	Technical & Transactional Finance Manager	S151 Officer or Director of Finance, Corporate Landlord and Performance

Activity	Prepared by	Delegation / Accountability
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, 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, including; <ul style="list-style-type: none"> - ongoing monitoring of ratings on investment products and institutions. - Investigation and appraisal of free capital ratio measures - signing off by the treasury manager as evidence of a monthly review and mid-month changes if necessary. if ratings change for an investment product or institution currently held then actions for a possible exit of that strategy are undertaken as approved by the Treasury Management Panel	Finance Business Partner – Treasury Senior Treasury & Banking Manager	Head of Finance – Deputy S151 / Technical & Transactional Finance Manager or S151 Officer dependent on limits set by TMP on exit strategy
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 – Deputy S151 / Technical & Transactional Finance Manager / –Senior Treasury & Banking Manager
Audit and control review and improvements Recommendations implementations	Internal Audit / All	Senior Treasury & Banking Manager
Annual MRP Policy review	Technical Accounting Manager	Head of Finance – Deputy S151 / Technical & Transactional Finance Manager / Senior Treasury & Banking Manager
Maintain accurate up to date information on Treasury Management	Treasury Management Accountancy Assistant	Senior Treasury & Banking Manager / 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.

Report	Frequency	When	Prepared by	To
Review of Treasury Management Strategy (TMS) and Treasury Management Policies	Annual	February/ March	Head of Finance – Deputy S151 Officer	Cabinet and Council
TMS – material changes	Immediately	As required	Head of Finance – Deputy S151 Officer/ Technical & Transactional Finance Manager	Cabinet and Council
Treasury Management Annual Report	Annual	September	Head of Finance – Deputy S151	Cabinet and Council
Mid-Year Report	Annual	December	Head of Finance – Deputy S151	Cabinet and Council
TM budget monitoring	Quarterly Monthly	Jul, Oct, Jan, Apr	Finance Business Partner – Treasury (reviewed by Technical & Transactional Finance Manager)	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 Monthly	Jul, Oct, Jan, Apr	Finance Business Partner – Treasury (reviewed by Technical & Transactional Finance Manager)	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

Report	Frequency	When	Prepared by	To
Cashflow summary	Monthly		Finance Business Partner – Treasury	Technical & Transactional Finance Manager
Borrowing transactions	Monthly		Finance Business Partner – Treasury	Technical & Transactional Finance Manager
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 / Senior Treasury & Banking Manager	Technical & Transactional Finance Manager
12 monthly cashflow	Quarterly		Finance Business Partner – Treasury / Senior Treasury & Banking Manager	Technical & Transactional Finance Manager
Government statistical returns	Monthly		Technical & Transactional Finance Manager / 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 is providing 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 became operational during 2023 and the council began sending its recyclable waste to the new facility from 1st October 2023. To obtain governance during the build phase the Council held 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 was an approved loan facility of £11.865m between Sherbourne Recycling Limited and the council and whenever SRL required funds they sent a loan drawdown notice

requesting funds which gets approved and then paid. This loan facility has now been fully utilised. The loan facility was increased by £601k during 2023/24.

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

Repayments of the loan by SRL, which include the repayment of the principal sum and interest earned are due to commence on 30th September 2024.

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 – 7 February 2024

Corporate Financial Performance 2023/24

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

Related Portfolios: All

Service: Finance – council wide

Wards: All

Key decision: No

Forward plan: Yes

1. Aim

- 1.1 To report on the forecast corporate financial position for 2023/24, based on known and forecast pressures as at December 2023, and actions 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 2023/24 including significant demand and cost pressures, particularly within Adult Social Care and Children's Services. Following further work being undertaken the current forecast for 2023/24 is on budget after £3.97m of service mitigation actions and central mitigating actions of £18.36m. This is a positive movement of £4.94m since last reported to Cabinet on 13 December 2023.

- 2.2 In relation to the capital programme, the report includes a number of proposed amendments for approval as set out in section 4.14 of the report. The forecast outturn is predicted to be an underspend of £480k after the expected carry forward of £31.78m into 2024/25.

- 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 the forecast revenue spend above budget of £22.27m with services mitigating actions of £3.97m reducing this to £18.30m. A further £18.36m of central mitigating actions have been identified reducing the overall forecast to a small underspend of

£62k. The forecast overspend has reduced by £4.94m since reported to Cabinet on 13 December 2023, mainly due to further central one-off mitigations of £5.68m detailed in section 4.9.

- 3.2 Note that there are additionally high risks of £12.51m to the revenue forecast identified within services as set out in Appendix 2. These risks are actively being monitored and action is being taken to reduce / eliminate them.
- 3.3 Note the progress on savings approved for 2023/24 and the amendments as detailed in section 4.11 to 4.12 and Appendix 5 and the use of earmarked reserves to mitigate these in 2023/24. Those ongoing into 2024/25 are expected to be fully delivered or replaced with alternative savings to ensure no financial impact.
- 3.4 Approve amendments to the capital programme as set out in section 4.14.
- 3.5 Note that the forecast for the capital programme is a predicted underspend of £480k, after the expected carry forward of £31.78m into 2024/25, as set out in sections 4.14 to 4.16 and Appendix 6.
- 3.6 To approve the release of £4.57m from pipeline development in support of the new waste transfer station and household waste recycling centre at Middlemore Lane, as set out in section 4.17.
- 3.7 Note financial health indicator performance as set out in sections 4.18 to 4.23 and Appendix 8.
- 3.8 Note the prudential indicators as set out in section 4.24 to 4.26 and Appendix 9.
- 3.9 Note the performance and demand data at Appendices 10 and 11 in relation to Adult and Children's Social Care Services.

4. Know – Context

- 4.1 The council is legally required to operate within a balanced budget and to operate within a set of approved financial controls. The cost-of-living impact and increases in demand are causing significant pressures, particularly in relation to the council's costs in relation to energy and supplies and contract uplifts and demand within Adult Social Care and Children's Services. Whilst the position is manageable for 2023/24, setting a balanced budget for 2024/25 has been challenging.

Revenue Forecast 2023/24 - Service Pressures

- 4.2 Walsall Council has a good track record of managing financial pressures and action is being taken to continue to mitigate the current pressures in relation to the cost of living inflationary impact on contracts / third party spend in particular, alongside extra ordinary increases in demand and costs pressures within Adult Social Care and Children's Services. Where known and quantifiable, the financial impact of this is included within the forecast position. As a result of the pressures, mitigating actions continued to be instigated including services taking action to address them, use of appropriate earmarked reserves, etc.

4.3 The current council wide forecast shows a number of pressures which would lead to a potential overspend of c£22.27m against budget as summarised by directorate in Table 1. Total mitigating actions have been identified of £22.33m (Appendix 4) reducing the forecast to a small underspend of £62k. The overall position has reduced by £4.94m on that reported to Cabinet on 13 December 2023 of £4.88m overspend.

The following sections detail movements since the position last reported to Cabinet in December 2023 with the full detail on full year forecast variances and actions to address these shown in Appendix 1 and Appendix 4.

4.4 Adults Social Care, Public Health and Hub - £30k increase in overspend from £12.75m to £12.78m after use of and transfers to reserves and mitigating actions.

- Net increase in changes to existing and projected client costs £40k;
- Inflow / attrition £80k - increase due to a net inflow of new, deceased and ended clients. This increase is a combined impact of new clients being placed at a higher average cost than originally budgeted and the number of expected deaths and ended placements being significantly lower than the budget;
- Decrease health income and the impact of prior year costs, partially offset by an increase in client contribution and reductions in Section 117 expenditure £120k;
- Staffing (£210k) - revised recruitment dates and vacant posts across the directorate.

4.5 Children's and Education - £680k increased overspend from £3.92m to £4.60m after use of and transfers to reserves and mitigating actions)

- £90k due to complex section 17 placement;
- £60k increase in agency costs linked to delays in recruitment of social workers;
- £500k increase in fostering due to delay in achievement of fostering saving plans;
- £30k other minor movements across the directorate.

4.6 Customer Engagement no change from £1.19m overspend (after use of and transfers to reserves) but there have been movements within the service.

- £250k increase in delayed delivery of council wide efficiencies relating to Customer Access Management;
- £30k increase in bank charges due to increased volume;
- (£30k) reduction in demand for bed and breakfast;
- £10k reduction in homeless top up grant;
- (£260k) additional underspend on salaries due to vacancies and maximising grant funding against existing spend.

4.7 Economy, Environment and Communities - £30k increase in overspend from £180k £210k after use of and transfers to reserves and mitigating actions

- Environment – (£76k) additional back dated concession income from parks;
- Leisure – (£100k) net additional over recovery of active living centres income forecast due to increased demand and increase prices;
- Commercial - £227k net reduction of cremation and burial income forecast due to increased competition and fall in demand;
- Other small movements within the directorate (£21k).

4.8 Resources and Transformation – no change to overall position of an underspend of £110k after use of and transfers to reserves and mitigating actions)

- Underspends on salaries due to vacancies (£140k) offset in the main by reduction in income across the directorate.

4.9 Capital Financing and Central budgets – increase in underspend of £5.68m from £13.05m underspend to an underspend of £18.73m)

A review of central budgets has been undertaken during December which has released a further £5.68m underspend as detailed below:

- Release of pay budgets £2.41m – following the pay award settlement budgets have now been vired to services to cover the cost - for 2023/24 this has been applied against posts that are currently occupied releasing a one off in year underspend against vacant posts;
- Release of part of the revenue contingency budget £671k – as we are now nine months through the year it is considered acceptable to release an element of this budget leaving c£360k for the remainder of the year;
- Release of the remaining balance of the revenue implications of capital budget £361k – all in year allocations have now been made against this budget and the balance can be released in full;
- Release of revenue implication of business change budget £500k – there has been no call on this budget in year;
- Services Grant £120k – unallocated balance following a late notification of a change in funding for 2023/24;
- McAllister report £616k – there are numerous projects contained within this report but to date any that have been undertaken have been accompanied by the relevant funding and so no call has needed to be made on this budget;
- Risk reserve £500k – to fund 3 new RED savings within Children’s services - due to national recruiting pressures with foster carers and increased inflow of young people they can no longer be achieved in year. The number of internal fostering enquiries have almost doubled in 2023/24 compared to 2022/23 from 66 to 108 enquiries. There are currently 17 fostering households in the process of becoming registered foster parents which will support achievement of the savings in 2024/25;
- A forecast overspend on utilities of £1.86m due to inflationary increases shown centrally as this cost relates to the whole authority estate. This is being fully mitigated from the use of the cost of living reserve in year. A full review of utilities costs are currently being undertaken and any updates will be reported in our final outturn position for 2023/24.

Table 1: Forecast revenue analysis 2023/24 by Directorate - December 2023

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 prior to mitigating actions	Mitigating Actions	Year-end forecast including all mitigating actions	Movement since reported to Cabinet 13.12.2023
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Adult Social Care and Public Health	73.34	90.52	17.18	(5.97)	3.50	14.72	(1.94)	12.78	0.03
Children's Services									
- Children's and Education	75.50	84.44	8.94	(4.19)	0.25	5.00	(0.40)	4.60	0.68
- Customer Engagement	3.17	5.14	1.97	(1.46)	0.68	1.19	0.00	1.19	(0.00)
Economy, Environment & Communities	35.66	42.53	6.87	(5.58)	0.55	1.84	(1.63)	0.21	0.03
Resources & Transformation	37.46	40.93	3.46	(5.84)	2.27	(0.11)	0.00	(0.11)	0.00
Capital Financing	25.94	18.08	(7.86)	(0.68)	6.46	(2.08)	0.00	(2.08)	0.00
	251.06	281.63	30.56	(23.72)	13.72	20.56	(3.97)	16.59	0.74
Central budgets	(106.90)	(100.03)	6.87	(15.86)	10.71	(1.71)	(18.36)	(16.65)	(5.68)
Total council tax requirement	144.16	181.60	37.43	(39.59)	24.42	22.27	(22.33)	(0.06)	(4.94)

4.10 The year-end forecast includes the use of earmarked reserves of £39.59m and transfers to earmarked reserves of £24.42m, as detailed at Appendix 3. Earmarked reserves are created for specific 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 within the MTFO period. This results in projected closing earmarked reserves of £173.59m as shown in Table 2.

	Opening Balance 01/04/23	Transfers from Reserves	Transfers to Reserves	Movement	Closing Balance 31/03/24
	£m	£m	£m	£m	£m
Treasury Reserves	23.63	(1.07)	6.46	5.39	29.02
Grant / Contributions received in advance	22.16	(7.52)	1.76	(5.76)	16.40
Improvement projects	33.52	(10.37)	2.56	(7.81)	25.72
Cost Pressures	21.66	(8.85)	3.10	(5.75)	15.91
Council Liabilities	51.18	(1.08)	8.21	7.13	58.31
Covid-19 grants	0.83	(0.15)	0.00	(0.15)	0.67
Public Finance Initiatives	18.01	(2.35)	0.00	(2.35)	15.66
Risk	10.65	(7.32)	2.33	(5.00)	5.66
Other	7.11	(0.86)	0.00	(0.86)	6.24
Total	188.75	(39.59)	24.42	(15.16)	173.59

Reserves are categorised for the purposes of reporting as follows:

- **Treasury reserves.** These reserves are to manage and smooth the impact of interest rate changes over the MFTO period and finance early redemption of loans to reduce the council's future interest exposure – it includes Minimum Revenue Provision (MRP), Borrowing smoothing & repayments, preparing for the statutory override to cease, funding in year pipeline investments capital costs;
- **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. This category also includes ringfenced income such as building control fees, etc;
- **Improvement projects.** These reserves are to finance service modernisation and specific projects such as Cloud services, Oracle development, economic growth programme; and costs in relation to the council's transformation programme, Pledges, TCMP, Willenhall master plan. The majority have been through Cabinet approval;
- **Cost pressures.** Includes cost of living pressures above those budgeted which are short term or one-off and unmanageable post budget setting within existing budget and includes smoothing of costs over 12+ months whilst reviews are undertaken to reduce demand / pressures on an ongoing basis;
- **Council liabilities.** These reserves cover expenditure where the council has a legal obligation to pay costs, such as Insurance claims and self-financing costs, legal costs/claims, collection fund liabilities to smooth the impact of deficits on the general fund, HB subsidy claim, abortive costs, pension past service/contribution rate smoothing and redundancy costs;

- **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 at the time the budget was set and manage any delays in delivery of savings due to unforeseen circumstances;
- **Other.** Other small reserves to cover one-off planned costs such as the fraud contract and investigations CQC costs, buy v lease in relation to vehicles and equipment.

Approved savings in 2023/24

- 4.11 The 2023/24 budget approved by Council on 23 February 2023 includes £15.71m of benefits realisation (savings) against Proud activity plus a further £7.55m of 2022/23 benefits approved to be carried forward for delivery in 2023/24, giving a total benefit figure of £23.26m to be achieved. Directors are required to ensure that service delivery plans are robustly implemented to fully deliver these in year.
- 4.12 There are currently £10.33m of benefits assessed as Red for delivery (at high risk of non-delivery), as shown in Appendix 5 along with the reason and identified service mitigating actions to date totalling £2.95m, with the balance to be mitigated from use of the corporate risk reserve. The impact on the 2024/25 budget has been assessed and a number of savings have been removed or replaced, with the remainder carried forward to be fully delivered in 2024/25. The draft budget report elsewhere on tonight's agenda A details this.

General Reserves

- 4.13 Opening unallocated general reserves for 2023/24 are £18.70m. The medium-term financial framework (MTFF) requires that a prudent levels of reserves is maintained. This was set at no less than £16.12m for 2023/24. The MTFF also sets a minimum level of reserves beyond which any use must be reported to Council. This is currently set at £7.20m. As the current forecast position is on budget general reserves will remain intact for 2023/24 and therefore replenishment is not needed for 2024/25 at this time.

Capital Programme 2023/24

- 4.14 The capital programme for 2023/24, as reported to Cabinet on 13 December 2023 was £142.89m. Table 3 summarises amendments made to date, resulting in a revised programme of £136.76m. Table 4 summarises the 2023/24 capital programme and forecast outturn after the forecast re-phasing of £31.78m into 2024/25, with the summary of the net £480k underspending projects shown at Table 5.

Table 3: Amendments to Capital Programme 2023/24	
Project	£m
Capital Programme 2023/24 per Cabinet 13 December 2023	142.89
Council Funded	
Nottingham Drive	(0.06)
Pipeline Development	0.06
Scheme underspends within Economy, Environment & Communities to transfer to capital contingency as referred to in the report to Cabinet 13 December 2023	(0.36)
Cremators – funded from contingency	0.05
Capital contingency	0.31
Externally Funded	
M6 J10 budget	0.53
Future high street fund	(3.63)
Willenhall masterplan	(0.50)
Town deal	(2.00)
Basic needs budget rephasing	(0.70)
York bridge	0.17
Revised capital programme 2023/24	136.76

Table 4: Forecast capital analysis 2023/24					
Directorate	Budget £m	Predicted year end forecast £m	Variance before Carry forward £m	Carry Forward £m	Variance Over / (Under) £m
Council funded	61.35	34.60	(26.75)	26.27	(0.48)
Externally funded	75.40	69.90	(5.51)	5.51	0.00
Total	136.76	104.50	(32.26)	31.78	(0.48)

Table 5: Summary of Forecast Underspend 2023/24	
Project	£m
Social Housing Decarbonisation – allocation not required	(0.29)
Challenge Block	(0.03)
Bosty Lane Farm	(0.16)
Total	(0.48)

- 4.15 The capital programme currently shows predicted re-phasing of £31.78m from 2023/24 to 2024/25 as shown in Appendix 6. 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

- 4.16 A sum of £40m was approved by full Council in February 2021, with a further £30m in February 2022, and £29m in February 2023; a total of £99m set aside over the 6-year period 2021/22 to 2026/27 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 as yet unallocated amount) is set out in Appendix 7.

Middlemore Lane waste transfer station and household waste recycling centre

- 4.17 Cabinet approved the development of a new waste transfer station and household waste recycling centre at Middlemore Lane to address the current site limitations at Fryers Road and the lack of space to install a modern fire suppression system, to comply with the latest permitting regime. The project objectives are to future proof the Council's waste services (collection / disposal) and address the changes in permitting requirements for waste transfer stations.

The final cost plan for building the new waste transfer station and household waste recycling centre has increased by £4,566,836 on the current project budget of £37,775,391. The increased costs are due to unexpected groundworks conditions, service infrastructure and supply chain price increases. The revised project budget is £42,342,227.

Cabinet are asked to approve the release of £4.57m from pipeline development funding towards this scheme, subject to Strategic Investment Board's approval of the business case.

Financial Health Indicators

- 4.18 Appendix 8 contains financial health indicator performance as at 31 December 2023. 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

- 4.19 The indicators show the actual borrowing and investment rates for 2022/23 and the forecast for 2023/24 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 2023/24.

Balance Sheet

- 4.20 These detail ratios for the last 5 financial years 2018/19, 2019/20, 2020/21, 2021/22 and 2022/23 which show the liquidity of the authority.

Revenue performance

- 4.21 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 2023/24 and the performance against profile for 2023/24. Sundry debt collection is below target by 2 days with performance in relation to the processing of creditor payments better by 4 days. Council tax is marginally below target with NNDR collection rates higher than target.

Management of Resources

- 4.22 This section details the outturn position for 2022/23 and 2023/24 year-end forecast for revenue and capital, which is based on the financial position as at 31 December 2023 after use of and transfer to reserves and mitigating actions of £22.33m.
- 4.23 The capital forecast as at the end of December is a forecast underspend of £480k after the rephasing of £31.78m carry forward into 2024/25. 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

- 4.24 Appendix 9 contains the prudential indicators as at 31 December 2023. The primary purpose of these is to provide assurance to Cabinet that the authority is borrowing and investing in a sound and prudent manner. Indicators are approved by Council on an annual basis.

National Indicators

- 4.25 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 2022/23 and are forecast to be met in 2023/24.

The targets that these prudential indicators are monitored against have been taken from the Treasury Management and Investment Strategy for 2023/24 onwards.

Local Indicators

- 4.26 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 18.61 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 2.35%, 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 1.57%, 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-9d – Bank of England have increased the base rate over the 2023/24 period, currently showing a base rate of 5.25%. This has had a corresponding affect in

relation to investment yields. At-call, short term and long term investments are outperforming their individually set 2023/24 target rates.

All the above indicators were met in 2022/23 and are forecast to be met in 2023/24 except the following:

- L8. Average interest received on STI vs at call rate 3.14%. The short term interest rate of 4.92% is 0.15% basis points higher than the at-call rate which is 4.77%. However, the target rate for STI vs call rate shows at 35.00%. At the time these targets were set short term interest rates were significantly higher than at call rates. Also, as the call rate is increasing there are still active short-term investments placed over the past 12 months which are providing a lower yield in comparison to current short-term yields. Once these investments have matured (and potentially re-invested), we should see an increase in short term interest rate.

Council Plan Priorities

- 4.27 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

- 4.28 The 2023/24 budget and level of operating reserves were set following a robust financial risk assessment. The level of reserves can only be set based on realistically foreseeable or predicted parameters. Due regard is made to the strategic and operational risks facing the council. Some of these relate to the 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 ongoing impact of the global pandemic and rising cost of living pressures.
- 4.29 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.
- 4.30 There were a number of identified risks in 2023/24 as set out within this report, which became a reality and had an impact on the financial position. Actions have been taken to address the financial impact and reduce the forecasted overspend caused by these pressures. Where ongoing, these have been taken into account within the 2024/25 draft budget.
- 4.31 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.

Financial Implications

- 4.32 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 forecast revenue variance, prior to mitigating actions being implemented, is significant and required strong and robust management to ensure the council outturns within budget by year end.
- 4.33 Opening unallocated general reserves for 2023/24 were £18.70m. The medium-term financial framework (MTFF) requires that a prudent level of reserves is maintained. This was set at no less than £16.12m for 2023/24. Actions have been taken to address the overspend resulting in general reserves remaining at £18.70m at this time.

Legal implications

- 4.34 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 / S151 Officer), 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.
- 4.35 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.
- 4.36 The council will continue to have due regard to its statutory responsibilities in proposing any changes to service provision, to reporting on and managing the in year financial position, and its statutory responsibilities in relation to setting a balanced budget.

Procurement Implications / Social Value

- 4.37 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 supports and challenges services through the gateways of the commissioning and procurement process, with the aim of achieving best value for money.

Property Implications

- 4.38 Cabinet on 20 April 2022 approved the council's Strategic Asset Plan 2022-27: the key document which sets out the council's vision and approach for the management of its property portfolio under the Corporate Landlord model.
- 4.39 The Corporate Landlord model approach takes a more strategic approach to property and asset management across the council, bringing together property, facilities management and commissioning responsibilities into a key enabling service under the council's new functional model. This will ultimately enable the development and implementation of an estate that supports Proud and the wider corporate objectives of the council.

Health and Wellbeing Implications

- 4.40 This report is prepared with consideration of any impacts that any decisions would have on health and wellbeing. Any implications arising from the budget and reporting of performance against the budget will be reported to members along with any actions which are required to be addressed prior to implementation of proposals.

Staffing Implications

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

Reducing Inequalities

- 4.42 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.
- 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 2023/24, including an update on risks and impact on the budget for 2024/25 and beyond.

Background papers: Various financial working papers.

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Judith Greenhalgh
Executive Director – Resources &
Transformation

7 February 2024



Shaun Darcy
Director – Finance, Corporate
Landlord & Assurance / S151 Officer

7 February 2024



Councillor M Bird
Leader of the Council

7 February 2024

Appendix 1 - Directorate Forecast Positions 2023/24 prior to mitigating actions

The following sections provide more detail on directorate pressures and actions being taken to address these.

Adults Social Care, Public Health & Hubs (£14.72m prior to mitigating actions, after use of and transfers to reserves)

The potential forecast position after planned net use of reserves is £14.72m above budget prior to any mitigating actions. Mitigating actions of £1.94m have been identified reducing the overspend to £12.78m.

The main reasons for this £14.72m can be split into 'Business as usual' (BAU) of £11.26m and 'Impact of Service Transformation Plan' (STP) of £3.46m.

The reasons for the STP position of £3.46m are as follows:

- £2.22m - £1.76m carried forward from 2022/23 for cohorts 1 to 3 above the S75 amount, and £460k shortfall in new 2023/24 saving for cohort 4 under the Learning Disability Joint Funding arrangements. On-going discussions with the Integrated Care Board regarding the joint funding arrangement from 2020/21 remain in progress;
- £810k – delay in the 2022/23 saving relating to Better Care Finance due to futureproofing and integration with other systems;
- £80k – delay due to increasing the number of shared lives placements;
- £60k – delay in achieving section 75 income generation;
- £30k – delay relating to increased income within the communications hub.

The reasons for the BAU position of £11.26m are as follows:

- £4.47m – Reviews - net increase due to the impact of reviews of client packages undertaken during the period of February to November 2023. Compared to last year, there has been a significant increase in the number of reviews carried out, with more of these reviews resulting in an increase in package costs;
- £5.18m – Inflow / Attrition / Backdating- increase due to net inflow of new, deceased and ended clients within the first eight months of this financial year. This increase is a combined impact of new clients being placed at a higher average cost than originally budgeted and the number of expected deaths and ended placements being significantly lower than the budgeted trends. It should be noted the full year impact of any changes to client numbers and associated costs at the beginning of the financial year have a greater impact on the position;
- £2.32m – continuation of trends - based on 8 months of data and more informed intelligence, future projections now reflect current trends relating to 'business as usual' reviews and net inflow and outflow of service users continuing for the remainder of the financial year;
- (£2.18m) – Market Sustainability and Improvement Fund (MSIF) funding - Government have recently announced a further £570m of MSIF across financial years 2023/24 and 2024/25. This is to address issues such as discharge delays, social care waiting times, low fee rates, and workforce pressures. This is in addition to the £400m included in the February 2022 Cabinet report and equates to an additional £2.18m for Walsall in 2023/24 which will be used to support demand led services across adult social care in line with grant conditions;

- £1.57m – overspend on intermediate care services. This is based on current demand and future projections. This position takes into account the use of Hospital Discharge Grant funding as announced by government and the use of uncommitted Better Care Fund inflation for 2023/24. Further detailed work is currently taking place on the cost modelling and discussions with health partners on funding allocations, alongside work to identify options to mitigate any remaining pressure. This also includes the impact of a recent £400k reduction in the Integrated Care Board's (ICB) Better Care fund inflation contribution to the position;
- £180k – this overspend is based upon the reported position by Walsall Healthcare Trust at the end of November and is due to increasing demand for equipment;
- £580k - Contractual inflation on the Housing 21 unitary charge is higher than originally included in the budget for 2023/24 as based on February RPIx prior to the charge year. This is partially offset by use of the remaining Housing 21 reserve and additional client contribution income;
- (£460k) – additional client contribution and health income relating to care packages partly offset by a shortfall in the income budget associated with the Learning Disabilities joint funding arrangements when compared to the Section 75 agreement with Walsall ICB;
- (£400k) – due to a delay in recruiting to vacant posts across the directorate.

Public Health on budget (after planned use of and transfer to reserves)

The current net forecast position prior to the net use of/transfer to reserves is an overspend of £1.22m. After net use of reserves the service is forecast to be on budget. The £1.22m overspend covered by reserves relates to the following:

- (£310k) – underspend on staffing due to vacancies;
- £1.27m - projects planned to be funded from reserves including investment into mental health and young adults wellbeing service and sexual health;
- £260k - partial delay in achieving the saving relating to the 'review of existing transformation fund' (total saving £300k of which £40k has been delivered). This is mitigated on a one-off basis for 2023/24, plans are now in place to achieve this saving in 2024/25.

Mitigating actions of £1.94m have been identified across the directorate to reduce the overall forecast which are detailed at Appendix 4.

Risks - there are also high risks of £7.13m within the directorate which could impact the forecast position should they materialise, and these are detailed in Appendix 2.

Performance data relating to Adult Social Care demand is attached at Appendix 10.

Children's (£5.00m prior to mitigating actions, after planned use of and transfers to reserves)

The potential forecast position after planned net use of reserves is £5.00m above budget prior to any mitigating actions, however mitigating actions of £401k have been identified reducing the overspend to £4.60m.

The main reasons for the currently reported position are:

- £3.12m due to increased demand and costs for children in care broken down as follows:
 - £310k full year cost for the increased demand over and above budget for the multiple sibling groups who entered care during January/ February 2023;
 - £630k increased demand for remand placements following an extraordinary intake in January / February 2023 of 7 young people, further impacted by inflationary uplifts (£59k);
 - £1.50m pressure relating to placement moves seen to date and from the continuation of trends expected for the remainder of 2023/24. This is partially offset by reserves of (£1.15m);
 - £2.08m inflow / outflow 2023/24 (to date) – there has been an increase in the net number of children entering / leaving care to date this financial year, in comparison to budget and to the prior three-year trends. This accounts for the increasing number of sibling groups entering care and has been further impacted by an increased reliance on Independent Fostering Agencies and external residential placements. This pressure has been partially offset by reserves of (£400k);
 - £460k pressure if the net inflow / outflow trends to date continue for the remainder of the financial year. This has been fully offset by reserves.
 - £310k Section 17 costs linked to exceptional complex cases in order to support children to remain at home with family and avoid entering care;
 - (£400k) additional government income to support the costs of unaccompanied asylum seeking children through the increased number of hotel transfer and national transfer scheme claims, and the use of lower cost placements such as supported accommodation.
 - (£320k) underspend within internal residential services primarily due to vacant posts due to delays on the opening of two new internal residential homes;
 - £500k overspend due to delay in achievement of fostering STPs. The number of internal fostering enquiries has almost doubled in 2023/24 compared to 2022/23 from 66 to 108 enquiries. There are currently 17 fostering households in the process of becoming registered foster parents which will support achievement of the savings in 2024/25.
 - £60k other minimal movements primarily relating to care leaver payments.

Performance data on children in care is attached at Appendix 11.

- £690k use of agency within the Educational Psychologists team. This team currently has a large number of vacant posts therefore agency workers will be used in order to meet the authority's statutory requirement. Estimated agency costs forecast for the year are £1.19m offset by an underspend on vacant posts of (£500k). A business case has been completed to request investment into the service from 2024/25 to fund the costs associated with increasing the resources available within the team on an ongoing basis;
- £100k legal fees due to ongoing pressures linked to increases in demand on legal services and complexity of the cases involved. This pressure was expected to be managed following successful recruitment within the legal team which hasn't materialised.

- £180k recruitment and retention unachieved benefit. A £634k saving for recruitment & retention of social workers was unachieved in 2022/23 and was carried forward to 2023/24. Based on current agency and staffing information, £180k of this is not expected to be achieved in this financial year. The service continue to work to embed plans to ensure this can be fully achieved in 2024/25.
- £130k additional costs linked to the introduction of Senior Social Worker posts. Investment was approved in 2022/23 to support the cost of changing a number of current Social Worker posts to Senior Social Worker posts in order to support the Recruitment and Retention (R&R) strategy. The cost impact of this to date has exceeded the approved investment following the conversion of a number of agency staff to permanent Senior Social Worker posts in the last 3 months of 2022/23 and in May 2023;
- Home to School Transport unachieved benefits £130k - demand growth for 2023/24 was previously expected to reduce to 10%, however, based on national statistics and actual growth seen to date, growth is now expected to be 14%. These costs and growth increases have resulted in a shortfall in achievable savings of £130k.
- Taxi to school transport costs for children in care £200k - although the number of pupils transported in 2023/24 has remained similar to that seen in 2021/22 & 2022/23, the average cost per child has increased due to more out of borough placements being made linked to the ongoing placement sufficiency issues.
- Short breaks £240k - pressure due to more complex cases with increased support to ensure children can remain living at home with their family in addition to a decrease in health contributions and an overall increase in rates for services.

There are also a number of small overspends across the directorate of c£210k relating to shortfalls in traded income within performance and information services £40k, agency costs within Therapeutic Family Time £90k, and other minor movements within the directorate of £80k.

Mitigating actions of £401k have been identified to cover the pressures relating to placement moves as detailed at Appendix 4.

Risks - there are also high risks of £1.58m which could impact the forecast position should they materialise, and these are detailed in Appendix 2.

Customer Engagement (overspend of £1.19m after use of and transfers to reserves)

The forecast position is a £1.19m overspend after the net use of reserves of £782k (as set out in Appendix 3). Work is on-going to identify mitigating actions to reduce the overspend. The main reasons for the variance are:

- £1.54m due to delayed delivery of saving of council wide efficiencies relating to Customer Access Management. The total saving is £4.47m of which £1.54m relates to CXC within Customer Engagement. The remainder of the saving is currently held centrally and included elsewhere within the report;
- £110k due to reduction in housing benefit related central government grants;
- £140k due to increased volume of bank charges for online payments;
- £550k relating to increased demand for bed and breakfast services;
- (£220k) receipt of homelessness top up government grant;

- (£930k) underspend on salaries due to vacancies and maximising grant funding against existing spend.

Risks - there are risks of £2.39m which could impact the forecast position should they materialise, and these are detailed in Appendix 2.

Economy, Environment and Communities (£1.84m prior to mitigating actions, after use of and transfers to reserves)

The forecast position is a potential overspend of £1.84m after planned transfers to and from reserves (as detailed in Appendix 3). Mitigating actions have been identified of £1.63m reducing the overspend to £210k.

The main variances are:

- Environment, Leisure and Commercial (£46k) – Over recovery of income from Active Living Centres (£602k); concessions income (£112k) and registrars (£72k) due to increased demand and additional HAF income, underspend on salaries (£58k), offset by under recovery of markets income arising from reduced number of operating days and market stall erection contract increases £204k, under recovery of cremation and burial income due to increased competition and a fall in demand resulting in £200k not achieved, increased coroner contract costs due to increased demand on the service £94k, unachieved savings £252k and additional cost of computer system £44k;
- Highways Transport & Operations £1.41m – Unachieved savings of £968k due to delayed delivery, HWRC and W2R contract pressures due to increased inflation rates £670k, additional costs of clothing, materials, repairs, vehicle hire and maintenance £174k, increased electricity costs of unmetered traffic signals £122k, increase in staffing costs £629k, part offset by a reduction in waste disposal costs (£673k), over recovery of trade income (£200k), Tarmac/Fleet income (£117k), and a reduction in fuel costs (£201k);
- Emergency Planning (£65k) – staffing underspend due to vacant posts;
- Planning Services & Building Control - £472k staffing overspend to support back log of cases through the use of addition staff and agency and income pressure due to decrease to cost of living crisis. Mitigated in full through action plan.
- Regeneration & Economy £260k – delay in saving relating to the implementation of the restructure;
- Cultural Services (£161k) – (£120k) Staffing underspends due to vacant posts and additional income (£43k) net additional income from the Arena;
- Regulatory Services £73k – an overspend on legal fees for unauthorised encampments, under recovery of enforcement income part offset by staffing underspend due to delay in restructure;
- Library Services (£154k) – unachieved savings with no delivery plan £61k offset by underspend on staffing costs due to vacant posts;
- Communities and Partnerships (£49k) – reduction in spend arising from delay in project;
- Economy & Environment Management £97k - staffing pressure due to the cost of an interim Director post filled externally via agency partly offset by internal savings due to appointing to the Interim Executive Director and Director of Place posts internally.

Mitigating actions of £1.63m have been identified to reduce the overall forecast which are detailed at Appendix 4.

Risks - there are also risks of £490k which could impact the forecast position should they materialise and these are detailed in Appendix 2.

Resources and Transformation (£110k underspend after use of and transfers to reserves)

The forecast position after the net use of reserves of £3.57m is an underspend of £110k. The main areas of variance to budget are:

- Payroll (£51k) - underspend on salaries partly offset by under recovery of traded income 39k;
- Facilities Manager - £242k – overspend mainly due to increased utilities costs by site £342k, rent increases £77k, increased staffing costs £73k and reduction in income £72k partly offset by reduced maintenance charges (£208k) and various underspends across multiple budgets (£117k);
- Building Services £42k - £376k maintenance pressures and salary overspend £43k, offset by income from rechargeable utilities (£311k) and rental additional income (£66k);
- Catering, Cleaning and Caretaking (£46k) – underspend on salaries (£299k) offset by reduction in income £165k and increased cost of food supplies and services within Catering £129k;
- Finance (£244k) - due to vacant posts partly offset by agency, training, supplies and computer costs;
- Legal, Democratic services and Elections £35k - overspend mainly due to agency costs £573k, supplies and service £181k, under recovery of traded income £75k offset by underspend on salaries due to vacant posts (£697k) and additional income in electoral services (£75k);
- Corporate assurance (£43k) - due to vacant posts (£64k) partly offset by increased contract costs;
- Human Resources (£236k) - underspend on salaries due to vacant posts (£605k) partly offset by agency costs £194k, overspends on supplies and services and settlement payment £132k and £43k savings not achieved;
- Corporate Management Team (£11k) – increased staff costs / agency including recruitment costs offset by salary underspends and additional income;
- Information Governance £20k - £209k overspend due to under recovery of traded income partly offset by underspend on salaries (£101k) and computer equipment and licence fees of (£88k);
- DaTS (£275k) – (£472k) underpend on salaries, (£21k) on training, (£100k) additional grant income partly offset by agency costs of £261k;
- Corporate Procurement £379k - due to additional interim management and agency costs £615k partly offset by underspend on salaries (£296k);
- Various other small movements across directorate £78k.

There are also high risks of £870k which could impact the forecast position should they materialise and these are detailed in Appendix 2.

Capital Financing on budget after use of and transfer to reserves)

Prior to any transfer to reserves the position is an underspend of £8.54m. £5.70m of the underspend is due to a reduction in borrowing costs and an additional saving on new borrowing of £1.52m is forecast in year. An additional underspend of £1.07m is also forecasted due to higher investment returns than expected. Further savings in other areas are a result of reduced bank charges and reduced interest on internal

balances, totalling £252k. Of the total underspend of £8.54m there will be £6.46m transferred to reserves to smooth known increases in borrowing costs from 2025/26 onwards and to the CCLA property fund valuation reserve which has been set up to mitigate risk arising from the removal of the statutory override in relation to property fund valuations. The reserve has been set up to smooth the impact of valuation changes on revenue. £2.08m is therefore shown as an underspend within this report.

Central (£1.71m overbudget after use of and transfer to reserves)

There is currently a £2.93m overspend relating to a saving that is currently not expected to be achieved in year in relation to the CAM workstream due to delays in implementation of the enabling technology. There is also £1.86m overspend on utility costs across the authorities estate due to inflationary increases. These have been partly offset by a one-off windfall income from business rates following the Valuation Office amendment to the rateable value of the art gallery (£2.66m) and a further (£250k) underspend against the in-year budget as this is no longer required. There is also an expected underspend on the insurance fund of (£165k) due to lower than budgeted insurance premiums.

Appendix 2: Summary of potential risk

POTENTIAL RISK – HIGH RISK ITEMS ONLY	POTENTIAL COST OF RISK £m
Adult Social Care, Public Health and Hub	
Outstanding debt from Walsall ICB relating to S117 and CHC recharges over one year old. The directorate is working with the ICB to resolve any queries relating to this outstanding debt and the service is currently undertaking a data cleansing exercise across all partners.	5.80
Saving proposals currently identified as 'not fully guaranteed' (Amber).	0.05
Residential and nursing uplift commitments in excess of original investment including complex placements.	0.63
Impact of backdating information within Mosaic. Risk of active/placements with financial commitments not yet recorded on the database and therefore omitted from the current forecast position.	0.30
Additional risk arising from discharges out of the Intermediate Care Service and placements made at a significantly higher weekly cost than the average existing clients.	0.35
Total Adult Social Care, Public Health and Hub	7.13
Children's and Education	
Continued placement moves over and above the £2m investment.	0.86
Additional uplift requests from placement providers for 2023/24 – awaiting outcome from the regional commissioning IFA framework group regarding uplift requests of up to 6%.	0.50
Delays in recruitment and reduction in capacity in the Educational Psychologist team leads to need for additional agency costs to complete statutory assessments.	0.17
Increased costs for more complex cases receiving support from short breaks services and reduction in health and education income.	0.05
Customer Engagement	
Saving proposals relating to CXC currently identified as 'not fully guaranteed'	0.09
Increased risk of additional demand for bed and breakfast services to national levels and price increases.	2.30
Total Children's, Education and Customer Engagement	4.02
Economy, Environment and Communities	
Loss of income in bereavement services due to new competitor entering the market.	0.20
Increased costs from co-mingled Coventry MRF when open.	0.15
Increase tonnage for waste disposal and increased landfill disposal and tax.	0.07
Refunds for planning fees on delayed applications	0.07
Total Economy, Environment and Communities	0.49
Resources and Transformation	
Increased cost of energy	0.87
Total Resources and Transformation	0.87
TOTAL HIGH RISKS	12.51

Appendix 3 – Details of (use of) / transfer to reserves

Reserve	Use of Reserve £	Transfer to Reserve £	Details of use of reserve
Adult Social Care, Public Health and Hub			
Covid-19 – Omicron	(1,950)	0	Costs associated with the plan to strengthen the Carers strategy across the borough following Covid-19
Housing 21	(476,910)	0	Mitigating action to fund the increase in unitary charge above that included in the budget due to higher RPI being applied than expected.
National Development Team for Inclusion Project	(208,445)		Use of grant funding carried forward from 2022/23.
Better Care Fund (BCF) / Improved Better Care Fund 2 (iBCF2)	(40,000)	0	Costs associated with social care activity/intermediate Care.
Mediation reserve	0	2,946,687	To cover the 2023/24 proportion of income due from Walsall ICB which is currently in dispute.
Public Health	(1,274,760)	310,313	Relates to grant funding for Public Health projects – Better Mental Health, Adult Weight Management and Universal Drug / Crime
IFRS	(304,026)	247,345	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	(39,006)	0	To support back log of Best Interest Assessors / Deprivation of Liberty safeguard assessments.
Social care demand / contingency	(558,000)	0	To fund increase in demand / costs
Proud - Adult Social Care	(3,068,926)	0	To fund investment and resources to deliver Proud workstream activity.
Total Adult Social Care, Public Health and Hub	(5,972,023)	3,504,345	
Children’s Services			
IFRS	(1,400,044)	79,049	Relates to grant funding for School Improvements, Safeguarding Families, Protecting Children, Regional Recovery, Rough sleepers, Personal Advisors.
Dedicated schools grant	(20,731)	0	To fund specific projects as agreed via schools forum
Children in care complex cases	(256,148)	0	To fund pressures, including social workers and placement costs, of complex cases relating to young people in care.
Children’s external partner contributions	(300,049)	0	Use of Safeguarding Partnership and Regional Adoption Agency contributions.

Reserve	Use of Reserve £	Transfer to Reserve £	Details of use of reserve
Social care demand / contingency	(2,059,424)	0	To fund the additional costs of Childrens placement moves previously identified as risk which has now materialised.
Truancy fine income	(93,139)	167,000	Used to fund an attendance officer post.
Redundancy / Pension	(58,752)	0	To fund redundancy / pension costs.
Total Children's Services	(4,188,287)	246,049	
Children's - Customer Engagement			
Houses in multiple occupation (HMO) licences	(48,825)	0	To fund staff support costs relating to HMO licences .
IFRS	(814,411)	677,899	Grant funding for Housing First scheme, homelessness, citizens advice bureau, refugee costs and other smaller projects. Transfer to reserve relates to Asylum Seekers grant
Crisis support	(378,162)	0	To fund costs related to the Crisis Support Scheme.
Housing Domestic Retrofit Programme	(106,000)	0	To fund costs of the programme.
Housing IT System Implementation	(112,170)	0	Surplus income in year expected to be c/f to fund costs in 2023/24.
Total Children's - Customer Engagement	(1,459,568)	677,899	
Economy, Environment & Communities			
Covid-19 – Community Champions	(148,377)	0	Costs of supporting residents who are most at risk of Covid-19.
Building control fees	(49,976)	0	Statutory account. Required to breakeven over a 3 year period which is reviewed annually.
Bus lane enforcement ring fenced income	(143,314)	0	Funding key projects in line with the legislation. <ul style="list-style-type: none"> - District signage - Rolling programme to refresh street name plates; - Road lines; - Introduction of Moving Traffic Enforcement legislation.
Street Lighting PFI	(2,353,998)	0	Grant funding to be utilised over the life of the project. This is being utilised to fund the increase in energy costs for 2023/24.
Shannon's Mill (commuted sum)	(3,000)	0	To cover the ongoing maintenance with a set proportion released each year.
King's Coronation	(20,000)	0	To fund community activities and involvement for Coronation celebrations across Walsall.

Reserve	Use of Reserve £	Transfer to Reserve £	Details of use of reserve
On Street Car Parking income (ringfenced)	(745,636)	0	To fund key projects in line with the legislation.
Economic growth programme (EGP)	0	271,250	To support costs within service to continue functions as per Cabinet report October 2020. Extended to 2023.
IFRS	(1,091,810)	280,774	Primarily relates to grants / contributions carried forward where spend was delayed or spend spans more than 1 year.
Phoenix 10	(112,196)	0	To fund professional fees.
Willenhall Master Plan	(216,653)	0	Costs associated with the Willenhall Master Plan redevelopment
Feasibility / Options appraisals	(173,904)	0	To cover costs which cannot be coded to capital and abortive costs of schemes.
Redundancy / Pension	(4,022)		To fund redundancy / pension costs.
Planning	(464,562)	0	To fund one off costs of agency to clear back log of applications.
Mediation reserve	(50,000)	0	To fund cost for unauthorised encampments activity.
Total Economy, Environment & Communities	(5,577,448)	552,024	
Resources & Transformation			
Audit and inspection	(90,372)	0	Contingency set aside to cover additional internal audit contract costs.
Corporate Landlord	(41,834)		Cover costs which cannot be coded to capital, abortive costs of schemes, demolitions and redundant buildings.
Economic growth programme	(20,170)	73,830	To support costs within service to continue functions as per Cabinet report October 2020. Extended to 2023.
Enterprise Zones	(1,683,599)	2,053,505	Generated from surplus business rates from across the Black Country to fund the costs of future capital schemes.
Growing Places Fund	(122,806)	27,314	Funding received to support the Growing Places LEP programme management costs.
Growth Deal Programme	(25,736)	120,000	Funding received to support the Growing Places LEP programme management costs.
IFRS	(20,118)	0	Primarily relates to grants / contributions carried forward where spend was delayed spans more than 1 year.
Improvement projects	(1,037,928)	0	To fund costs associated with One Source and Cloud/Azure licencing costs.

Reserve	Use of Reserve £	Transfer to Reserve £	Details of use of reserve
Mediation reserve	(2,600)	0	To cover one off exceptional legal fees
Proud Resource Plan	(2,668,734)	0	To fund investment and resources to deliver Proud workstream activity.
Redundancy	(129,372)		To fund redundancy costs.
Total Resources and Transformation	(5,843,269)	2,274,649	
Capital Financing			
Borrowing re-scheduling / CCLA	0	6,460,851	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. CCLA - £30m investment - Statutory override till end March 2025 - once this runs out we will have to put any gains and losses on the investment in year into the accounts and this will smooth these changes.
Buy not lease	(94,469)	0	To be used to purchase vehicles / equipment when the costs are calculated to be cheaper than leasing.
Minimum revenue provision (MRP)	(577,000)	0	To smooth minimum MRP costs as per approved MRP policy.
Pensions – upfront payment borrowing costs	(9,205)	0	To fund borrowing costs of funding pension payments upfront for 3 years to release savings.
Total Capital Financing	(680,674)	6,460,851	
Centrally Held			
Proud	(564,000)	0	Funding of one-off investment in relation to Proud programme.
Audit and inspection	(179,012)		To cover the additional external audit contract costs for 2023/24.
Borrowing rescheduling	(496,226)	0	Planned one off use of reserve to fund WMVC UKSPF Fee.
Enterprise Zones – part of section 31 grant	0	18,338	Transfer of business rates income relating to the Enterprise Zone.
Environmental Levy	(550,400)	0	Planned use of reserve no longer required to support one off expenditure included in the 2023/24 budget.
Business rates retention scheme	(725,476)	5,264,000	Planned transfer to fund volatility of business rates income due to the pandemic and any appeals. Also to smooth future changes to the scheme.

Reserve	Use of Reserve £	Transfer to Reserve £	Details of use of reserve
Impower	(165,015)	0	Consultancy work to review current cost, demand and outcome of Adult Social Care and Children's Services
Risk	(7,320,000)	2,325,000	Mitigating action to cover RED savings not forecast to be achieved in year with not alterative actions. Replenishment to cover further pressures not yet realised.
Social care demand / contingency	(3,710,000)	2,500,000	Mitigating action – to cover unforeseen increased costs within Adult Social care and Childrens Services. Replenishment to cover any further pressures not yet realised,
Cost of Living	(2,054,281)	600,000	Mitigating action – Housing 21 inflation increases. Energy budget transferred to replenish reserve.
Mediation reserve	(100,000)	0	Mitigating action - to cover additional legal fees within Childrens Services
Total Centrally Held	(15,864,410)	5,282,338	
TOTAL RESERVES	(39,585,679)	24,423,155	

**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 4: Mitigation actions included within the report

Directorate	Detail of mitigating actions	£m
Adult Social Care, Public Health & Hubs	Over achievement and full year impact of the 2022/23 savings predominantly relating to review of existing client placements.	0.90
	Release of one-off grant relating to the streamline of Adult Social Care assessments.	0.14
	Use of remaining Housing 21 reserve to partially mitigate the contractual inflation pressure.	0.48
	One off use of reserves to cover Public Health savings relating to the review of existing transformation fund.	0.26
	Red STP's covered by service underspends.	0.16
Total Mitigation included for Adult Social Care, Public Health and Hubs		1.94
Children's Services - Children's and Education	One off reallocation of funding and reserves to support Children's pressures.	0.40
Total Mitigation included for Children's Services and Education		0.40
Economy, Environment & Communities	Use of legacy section 106 income held in reserve.	0.22
	Holding of vacant head of service post.	0.07
	Economic Growth Programme funding held in reserves.	0.46
	Use of corporate reserve to support planning.	0.25
	Use of parking reserve.	0.03
	Use of legacy commuted sums.	0.03
	Capitalisation of Velocity Patcher.	0.20
	Capitalisation of book fund.	0.15
Reduction of non-essential operational costs across Directorate	0.22	
Total Mitigation included for Economy, Environment & Communities		1.63
Central	Use of Risk Reserve.	7.32
	Use of Cost of Living Reserve.	2.05
	Use of Mediation Reserve.	0.10
	Use of Social Care Demand / contingency reserve.	3.71
	Release of central budgets	5.18
Total Mitigation included for Central		18.36
Total Mitigation included in forecast outturn		22.33
Mitigating actions included in report		£m
Service mitigating actions		3.97
Corporate mitigating actions		18.36
Total		22.33

Appendix 5: Benefits 2023/24 currently identified as 'Red' due to risk of delayed delivery

Directorate	Benefit	Original Full Benefit £	Value of benefit identified as at high risk of non-delivery £	Value to be Mitigated In Year £	Reason	Mitigating Actions
Adult Social Care, Public Health & Hub	OP11 – (Shared Lives) – foster care provision	116,277	77,598	77,598	Delay in transferring clients from current care setting to shared lives.	Mitigated by underspends within service in 2023/24.
Adult Social Care, Public Health & Hub	OP13 - Learning disability joint funding tool – cohort 3	954,000	455,000	455,000	Awaiting detailed delivery plans - ICB discussions on JF tool.	Mitigated from Risk reserve for 2023/24.
Adult Social Care, Public Health & Hub	2022/23 - Efficiencies attributed to the implementation of Bettercare Finance System	770,905	756,676	756,676	Delay due to futureproofing and integration with other systems.	Mitigated from overachievement of 2022/23 savings.
Adult Social Care, Public Health & Hub	Section 75 Grant - Income Generation Review of Grants	59,780	59,780	59,780	Further discussions to be held with ICB to understand how saving can be delivered.	Mitigated by underspends within service in 2023/24.
Adult Social Care, Public Health & Hub	2022/23 - Staffing impact following the implementation of Bettercare Finance System	94,079	58,308	58,308	Delay due to futureproofing and integration with other systems.	Mitigated from overachievement of 2022/23 savings.
Adult Social Care, Public Health & Hub	2022/23 - Review for Learning Disabilities joint funding tool	1,757,270	1,757,270	1,757,270	Awaiting detailed delivery plans - ongoing ICB discussions on JF tool.	Partly mitigated from overachievement of 2022/23 savings. Remainder mitigated by use of risk reserve for 2023/24.
Adult Social Care, Public Health & Hub	2022/23 - Increased income from Print & Design service to external bodies	30,000	30,000	30,000	Awaiting detailed delivery plans.	Mitigated in 2023/24 through staffing vacancies and underspends in supplies and services.
Adult Social Care, Public Health & Hub	2022/23 - Review of the usage of the Public Health transformation fund	300,000	255,000	255,000	Review of current transformation funding in process of being finalised.	Corporately funded one-off for 2023/24.
Total Adult Social Care, Public Health & Hub		4,082,311	3,449,632	3,449,632		

Directorate	Benefit	Original Full Benefit £	Value of benefit identified as at high risk of non-delivery £	Value to be Mitigated In Year £	Reason	Mitigating Actions
Children's Services	OP2 – Home to school transport review of contracts and route optimisation	300,000	131,958	131,958	Increase in expected demand for 2023/24.	Mitigated from risk reserve for 2023/24
Children's Services	OP6 - Review of current establishment and reduction in the use of agency staff, following recruitment of permanent staff	634,406	178,000	178,000	Recruitment and retention benefit will not be achievable based on current forecast.	Mitigated from risk reserve for 2023/24
Children's Services	OP45/51 - Recruitment and retention of internal foster carers	630,000	211,348	211,348	National recruitment pressures of foster carers.	Mitigated from risk reserve for 2023/24
Children's Services	OP46/52 – Specialist foster placements	392,000	213,250	213,250	Increased inflow of young people.	Mitigated from risk reserve for 2023/24
Children's Services	OP47 – Sibling groups of 4+	200,000	75,402	75,402	Increased inflow of young people.	Mitigated from risk reserve for 2023/24
Total Children's Services		2,156,406	809,958	809,958		
Customer Engagement	Part OP26 - Council wide efficiencies relating to Customer Access Management	1,540,000	1,540,000	1,540,000	Delay in implementation of Customer Experience Centre changes.	£1.29m mitigated from risk reserve for 2023/24 remainder mitigated by service.
Total Customer Engagement		1,540,000	1,540,000	1,540,000		
Economy, Environment & Communities	P3a – Outsource outdoor pursuits service to a community group	12,878	12,878	12,878	Implementation delayed.	Currently mitigated by underspends in service.
Economy, Environment & Communities	P4 - Increase in bulky waste charges	136,000	136,000	136,000	Delay in new price on the web page due to Core Technology Platform work.	Currently being mitigated by general underspends within Clean and Green.
Economy, Environment & Communities	P6 - Rewilding of all urban grassed areas	352,348	352,348	352,348	Plans being reviewed and alternative saving proposals considered.	Currently being mitigated by general underspends within Clean and Green.

Directorate	Benefit	Original Full Benefit £	Value of benefit identified as at high risk of non-delivery £	Value to be Mitigated In Year £	Reason	Mitigating Actions
Economy, Environment & Communities	P12 - Parking dispensation charging of £15 per vehicle per day	19,500	14,625	14,625	Delay on technology to allow payments to be taken.	Mitigated by use of parking reserve.
Economy, Environment & Communities	P13 - Reintroduce staff parking charges	18,000	18,000	18,000	Delayed due to equality impact.	Currently mitigated by underspends in service.
Economy, Environment & Communities	OP1 - Review of fees and charges - increase planning development charges by 5%	1,385	1,385	1,385	Fee increase has resulted in under recovery.	Mitigated by use of reserve.
Economy, Environment & Communities	OP4 - Regeneration & Economy team review	260,193	260,193	260,193	Restructure plans still not confirmed due to sickness absence.	Currently mitigated by underspends in service.
Economy, Environment & Communities	OP16 - Enhancement of Darlaston Pool	15,000	15,000	15,000	Delay due to release of capital funds.	Currently mitigated by underspends in service.
Economy, Environment & Communities	OP17 - Development of Oak Park office space	50,000	37,500	37,500	Delay due to release of capital funds.	Currently mitigated by underspends in service.
Economy, Environment & Communities	OP18 - Improvement to direct debit collection process	10,000	10,000	10,000	Completion of project has been delayed.	Currently mitigated by underspends in service.
Economy, Environment & Communities	OP21 - Increase rental income from Park Lodges	5,000	4,034	4,034	Charges increase has not led to increased income as expected.	Mitigated by other venue hire income.
Economy, Environment & Communities	OP23 - Review of fees and charges - increase bereavement charges by 5%, registrars and interment fees by 3%	187,292	177,292	177,292	Charges increased but saving not achieved due to reduced demand.	Mitigated by additional income in other areas of Environment, Leisure and Commercial.

Directorate	Benefit	Original Full Benefit £	Value of benefit identified as at high risk of non-delivery £	Value to be Mitigated In Year £	Reason	Mitigating Actions
Economy, Environment & Communities	OP54 - Charge developers for travel plans	30,000	30,000	30,000	Recruitment - no suitably skilled staff available to implement.	Mitigated by commuted sums reserve.
Economy, Environment & Communities	2022/23 - Offer residential gardening service	30,000	30,000	30,000	Business case has highlighted this benefit cannot be achieved. No delivery plan in place.	Mitigation by general underspends within Clean and Green.
Economy, Environment & Communities	OP56 - Increase recycling rates and reduce contamination	382,523	382,523	382,523	Service currently has no plan on how to achieve this saving.	Currently being part mitigated by general underspends within Clean and Green £167k remainder mitigated by use of Risk reserve for 2023/24.
Economy, Environment & Communities	2022/23 - Review of Libraries Management	60,679	60,679	60,679	Head of Community Building role will move this forward when in post.	Underspends from salaries in service will be used to mitigate.
Total Economy, Environment & Communities		1,570,798	1,542,457	1,542,457		
Resources & Transformation	OP34 - Platinum Secure Storage	13,000	13,000	13,000	Contract currently under retendering.	Mitigated by overall Directorate underspend.
Resources & Transformation	NEW – Solar panels on our buildings	23,000	16,000	16,000	Work will not be completed within scheduled timescales.	Mitigated by overall Directorate underspend.
Resources & Transformation	OP36 - Promotion of One Source system to Schools for sickness absence data entry	30,000	30,000	30,000	Currently unable to roll out OneSource system to schools.	Mitigated by overall Directorate underspend.
Total Resources & Transformation		66,000	59,000	59,000		
Central	Part OP26 - Council wide efficiencies relating to Customer Access Management	2,930,000	2,930,000	2,930,000	Actions on how this will be achieved are still being finalised.	Mitigated from Risk reserve for 2023/24.
Total Central		2,930,000	2,930,000	2,930,000		
Total		12,345,515	10,331,047	10,331,047		

Appendix 6 - Re-phasing of capital funded schemes 2023/24 to 2024/25

Project	£m
Council Funded	
Capital investment earmarked reserve	0.47
Capital contingency	0.63
Children in care out of borough placements	0.15
Council house smoke & heat detection fire alarm	0.30
Operation repair & maintenance of council buildings	0.08
Walsall council house-modern secure reception	0.03
Council house internal decoration	0.03
Council house plumbing	0.07
Council house windows	1.23
Council house roof repairs	1.43
Computer aided facilities management system	0.28
Saddlers centre shopping centre	0.27
New homes bonus	0.08
Regenerating Walsall	0.22
Enterprise zones	2.58
Willenhall masterplan	2.55
St peter church repairs to surrounding walls	0.03
Middlemore lane household waste recycling centre	5.84
Barr beacon security & infrastructure works	0.04
Play areas and outdoor gym improvements	0.47
Promotion of community health & safety	0.12
Walsall town centre public realm improvements	0.10
Single library management system	0.01
Darlaston library integration	0.06
Replacement PC's	0.03
Radio frequency identification – self issue (libraries)	0.01
MyCMIS – asset management tracking system	0.02
ICT – safe and secure environment	1.43
Proud – ICT	0.02
Enabling technology	4.57
Maintaining a safe and secure environment	0.30
Telephony cloud based system	0.46
Proud card payments digital website	0.83
Ways of working	0.25
Expansion of park hall	0.58
Konica multi-functional device re-tender	0.05
Archiving systems moving to customer access management retired	0.06
Digital & technology service (DaTS) staffing capitalisation	0.12
Changing places toilets	0.13
Development team capitalisation of posts	0.33
Walsall gateway	0.02
Brown jug compulsory purchase order	0.03

Project	£m
External Funded	
Basic need	0.33
High needs provision capital allocation	0.30
Bloxwich town deal	0.53
Walsall town deal	0.40
Land and property investment fund	1.01
Growing places fund	0.66
Future high street fund	1.02
Barr beacon security & infrastructure works	0.06
Local transport plan – York's bridge	0.01
West midlands strategic transport plan 'movement for growth'	0.43
Purchase of dispersed temporary accommodation	0.08
Limestone surveys	0.11
Family hub life programme	0.01
Civic / council house decarbonisation	0.20
One palfrey big local park improvement project	0.15
LA housing fund 2	0.20
Total	31.78

Appendix 7 – Capital Pipeline Investment 2021/22 to 2026/27 – planned allocations

Scheme	Approval	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Budget - Original Allocation		28.00	0.00	22.00	10.00	10.00	0.00	70.00
Additional allocation		0.00	0.00	1.76	24.82	0.45	2.44	29.47
Budget per Council February 2023		28.00	0.00	23.76	34.82	10.45	2.44	99.47
Movement of Free School into Development Pool / other changes		0.00	0.00	1.31	-0.31	0.00	0.00	1.00
Rephasing as approved by Cabinet 19 July 2023		0.00	0.00	-19.02	-1.92	16.09	4.85	0.00
Adjusted Budget		28.00	0.00	6.05	32.59	26.54	7.29	100.47
Balance c/f		0.00	26.05	15.01	0.73	19.68	39.57	
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)	
Reedwood 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)	(2.10)	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 programme	Cabinet 9 February 2022	0.00	(0.15)	(0.15)	(0.15)	0.00	0.00	
Fly Tipping project for CCTV	Cabinet 14 December 2022	0.00	(0.13)	0.00	0.00	0.00	0.00	
Nottingham Car Park	Cabinet 21 June 2023	0.00	(0.24)	0.06	0.00	0.00	0.00	
Cremator repair	Cabinet 21 June 2023	0.00	(0.05)	0.00	0.00	0.00	0.00	
Mosaic system	Cabinet 21 June 2023	0.00	(0.03)	0.00	0.00	0.00	0.00	
HWRC station - Middlemore Lane	Cabinet 18 October 2022	0.00	0.00	(7.60)	(9.77)	0.00	0.00	
Active Public Spaces	Cabinet 18 October 2022	0.00	0.00	0.00	(1.00)	(0.74)	0.00	
Highways maintenance increased provision	Cabinet 18 October 2023	0.00	0.00	(0.70)	0.00	0.00	0.00	
Oak Park Active Living Centre conversion of small office space for commercial reasons	Cabinet 18 October 2023	0.00	0.00	(0.35)	0.00	0.00	0.00	
Old Square Public Realm	Cabinet 18 October 2023	0.00	0.00	(0.22)	0.00	0.00	0.00	
Enabling Tech	Cabinet 13 December 2023	0.00	0.00	(2.89)	0.00	0.00	0.00	
Regeneration Feasibility Costs	Cabinet 13 December 2023	0.00	0.00	(0.25)	0.00	0.00	0.00	
Temporary Accommodation	Cabinet 13 December 2023	0.00	0.00	(0.75)	(1.87)	(1.87)	(1.93)	

Scheme	Approval	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
New Internal residential home	Cabinet 13 December 2023	0.00	0.00	0.00	(0.85)	0.00	0.00
Bereavement Maintenance	Cabinet 13 December 2023	0.00	0.00	(0.17)	0.00	0.00	0.00
Total Allocated / Forecast to be allocated		(1.95)	(11.04)	(20.33)	(13.64)	(6.65)	(3.00)
Unallocated Balance c/f		26.05	15.01	0.73	19.68	39.57	43.86

**The budget report to Council in February 2023 also includes an allocation of £500k per annum to be set aside for minor capital works / capital contingency, subject to approval for its use on individual schemes.*

Appendix 8 Financial Health Indicators at December 2023

Treasury Management	2022/23 Actual	2023/24 Target	2023/24 Actual
Average Interest Rate (Borrowing)			
- Excluding other local authorities	3.82%	4.21%	4.11%
- Including other local authorities	3.87%	4.33%	4.16%
Gearing Effect on Capital Financing Estimates	3.81%	5.00%	4.20%
Net Borrowing Costs / Council Tax Requirement and NNDR contribution	7.21%	12.50%	2.65%
Capital Financing Requirement (£m)	390.19	433.114	433.114
Authorised limit for external Debt (£m)	474.38	465.410	465.410
Investment Rate Average (excl Property fund)	1.81%	3.48%	4.44%

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

Revenues Performance % collected for financial year	2021/22 Actual Collected in total as at 31.12.23	2022/23 Actual Collected in total as at 31.12.23	2023/24	
			Profiled 2023/24	Actual 2023/24
Council tax %	95.8%	95.1%	74.8%	74.6%
Total Council Tax collected	£146,757,368	£151,204,311	£123,920,000	£123,680,685
National Non Domestic Rate (NNDR) %	97.9%	97.4%	77.4%	79.9%
Total NNDR collected	£59,595,515	£69,955,793	£54,600,000	£56,406,133

Debtors and Creditors Performance	2022/23 Actual	2023/24	
		Target	Actual
Sundry Debtors Collection – Average number of days to collect debt	25 days	24 days	26 days
Average number of days to process creditor payments*	6.5 days	8 days	4 days

Management of Resources	2023/24		
Service Analysis	Target	Actual	Variance
Adult Social Care, Public Health and Hub	73,335,243	86,110,810	12,775,567
Children's Services			
- Children's and Education	75,495,408	80,093,403	4,597,995
- Customer Engagement	3,167,142	4,357,031	1,189,889
Economy and Environment	35,664,037	35,876,510	212,473
Resources and Transformation	37,463,931	37,356,687	(107,244)
Council Wide	36,582,834	17,852,399	(18,730,435)
NNDR/Top Up	(117,545,553)	(117,545,553)	0
Total Net Revenue Expenditure	144,163,042	144,101,286	(61,756)
General Reserves	Minimum £7.2m Maximum £18.0m	N/A	N/A
Council Funded Capital Expenditure	61,353,582	34,600,385	(26,753,197)
External Funded Capital Expenditure	75,403,516	69,898,126	(5,505,390)
Total Capital Expenditure	136,757,098	104,498,512	(32,258,586)
Capital Receipts	2,925,000	2,925,000	0.00

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

What this tells us

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

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

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

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

Appendix 9 - Prudential Indicators as at 31st December 2023

Prudential Indicator		Actual 2022/23 £m	Target 2023/24 £m	Actual Position at 31.03.24 £m	Variance to target	
					Numeric al Variance	% Variance
Pri 1	Capital Expenditure	96.314	136.750	104.500	-33.070	-24%
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.						
Pri 2	Ratio of financing costs to net revenue stream	4.05%	8.86%	5.09 %	-3.77	-43%
Financing costs - Divided by (Interest charged on loans Less Interest earned on investments)		Budget requirement (Revenue Support Grant + NNDR + Council Tax)		The ratio of financing costs to net revenue stream (General Fund) as a %		
Pri 3	Estimates of the incremental impact of new capital investment decisions on Council Tax	£43.02	£89.66	£89.66	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.						
Pri 4	Capital Financing Requirement	390.185	433.114	433.114	0.00	0%
This represents the underlying level of borrowing needed to finance historic and future capital expenditure. It is updated at end of the financial year.						
Pri 5	Authorised Limit for external debt	474.380	465.410	465.410	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.						
Pri 6	Operational Limit for external debt	431.250	423.100	423.100	0.00	0%
This has been set at the level of the capital financing requirement less the CFR items relating to PFI and finance leases.						
Pri 7	Gross Borrowing exceeds capital financing requirement	No	No	No		
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.						
Pri 8	Authority has adopted CIPFA Code of Practice for Treasury Management	Yes	Yes	Yes		
To ensure that treasury management activity is carried out within best professional practice.						
Pri 9	Total principle sums invested for longer than 364 days must not exceed	5.0	25.0	5.0		
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 2022/23	Actual Position at 31.03.2024
Prl 10	Fixed Interest Rate Exposure	95.00%	40.00%	98.14%	87.41%
Prl 11	Variable Interest Rate Exposure	45.00%	0.00%	1.86%	12.59%
Prl 12	<i>Maturity Structure of Borrowing</i>				
	Under 12 months	25.00%	0.00%	12.84%	12.35%
	12 months and within 24 months	25.00%	0.00%	12.24%	6.42%
	24 months and within 5 years	40.00%	0.00%	20.25%	19.68%
	5 years and within 10 years	50.00%	5.00%	0.00%	0.00%
	10 years and above	85.00%	30.00%	54.67%	61.55%

Local Indicators as at 31st December 2023

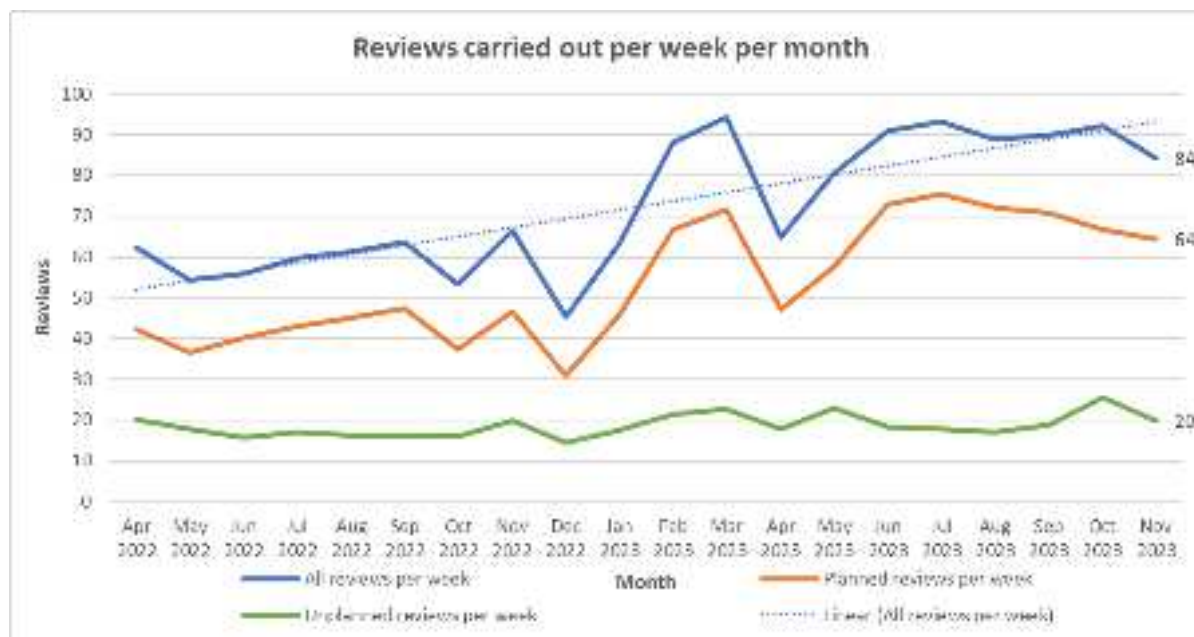
Local Indicators		Actual 2022/23	Target 2023/24	Actual Position as at 31-March- 2024	Variance to target		Met
					Numerical Variance	% Variance	
L1	Full compliance with prudential code	Yes	Yes	Yes	-	-	Y
L2	Average length of debt	17.13	Lower Limit 15 years, Upper limit 25 years	18.61	-	-	Y
This is a maturity measure and ideally should relate to the average lifespan of assets.							
L3a	Financing costs as a % of council tax requirement	10.64%	20.00%	2.35%	-17.65	-88.24%	Y
L3b	Financing costs as a % of tax revenues	7.21%	12.50%	1.57%	-10.93	-87.42%	Y
These are a variation to Prl 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	61.42%	85.00%	55.51%	-29.49	-34.70%	Y
This assists the monitoring of the authority's debt position.							
L5	Average interest rate of external debt outstanding excluding OLA	3.82%	4.21%	4.11%	0.10	2.45%	Y
L6	Average interest rate of external debt outstanding including OLA	3.87%	4.33%	4.16%	0.17	3.82%	Y
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	3.81%	5.00%	4.20%	0.04%	This would increase the average interest rate payable from 4.16% shown in L6 to 4.20%	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	-11.22%	35.00%	3.14%	-31.86	-91.02%	N
L9a	AT call investments	2.05%	2.50%	4.77%	2.27	90.80%	Y
L9b	Short Term Investments	1.82%	3.75%	4.92%	1.17	31.20%	Y
L9c	Long Term Investments	0.83%	4.00%	5.02%	1.02	25.50%	Y
L9d	Property Fund Investments	3.89%	3.56%	4.35%	0.79	22.19%	Y
L10	Average interest rate on all ST investments (ST and AT call)	1.89%	3.39%	4.83%	1.44	42.61%	Y
L11a	Average rate on all investments (ex. Property fund)	1.81%	3.48%	4.84%	1.36	39.16%	Y
L11b	Average rate on all investments (inc. property fund)	2.11%	4.54%	4.73%	0.19	4.27%	Y
L12	% daily bank balances within target range	99%	99%	99%	0.00	0.00%	Y
This measures how good our daily cash flow prediction is. A figure of 98% and above indicates a high level of accuracy.							

Appendix 10 – Performance data relating to demand within Adult Social Care

Reviews

Service users should receive a minimum of one planned review in a 12-month period, additionally unplanned reviews take place for several reasons. The number of reviews carried out each has increased from an average of 67 per week in November 2022 to an average of 84 per week in November 2023. The rate of reviews dipped at the end of the calendar year but have been consistently higher than average since February 2023 as shown in the graph below.



For further information, in November 2022 70.2% of reviews were planned and in November 2023 76.5% were planned.

A piece of work is currently underway to assess the impact of reviews in the current year. Previously reported figures were based on data held within a performance dashboard but there is some doubt about the validity of that information. There is work underway to revise that dashboard, in the meantime, finance are working to evaluate the impact through a manual data analysis exercise.

Service User Numbers

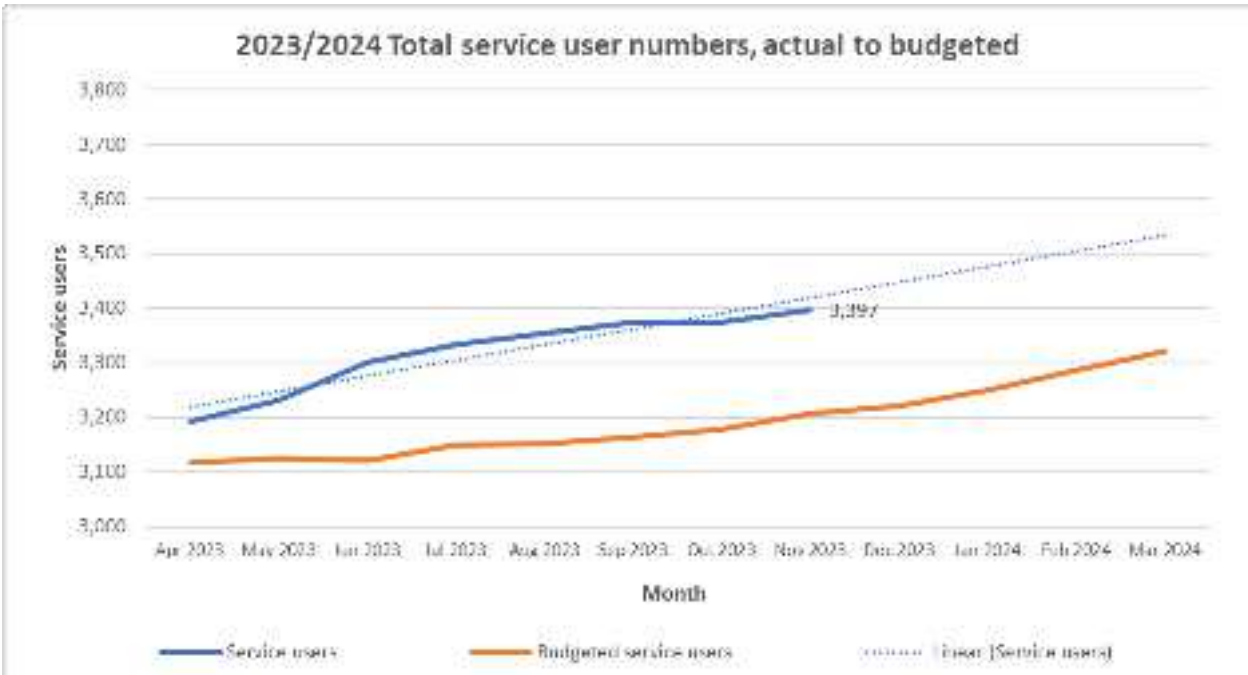
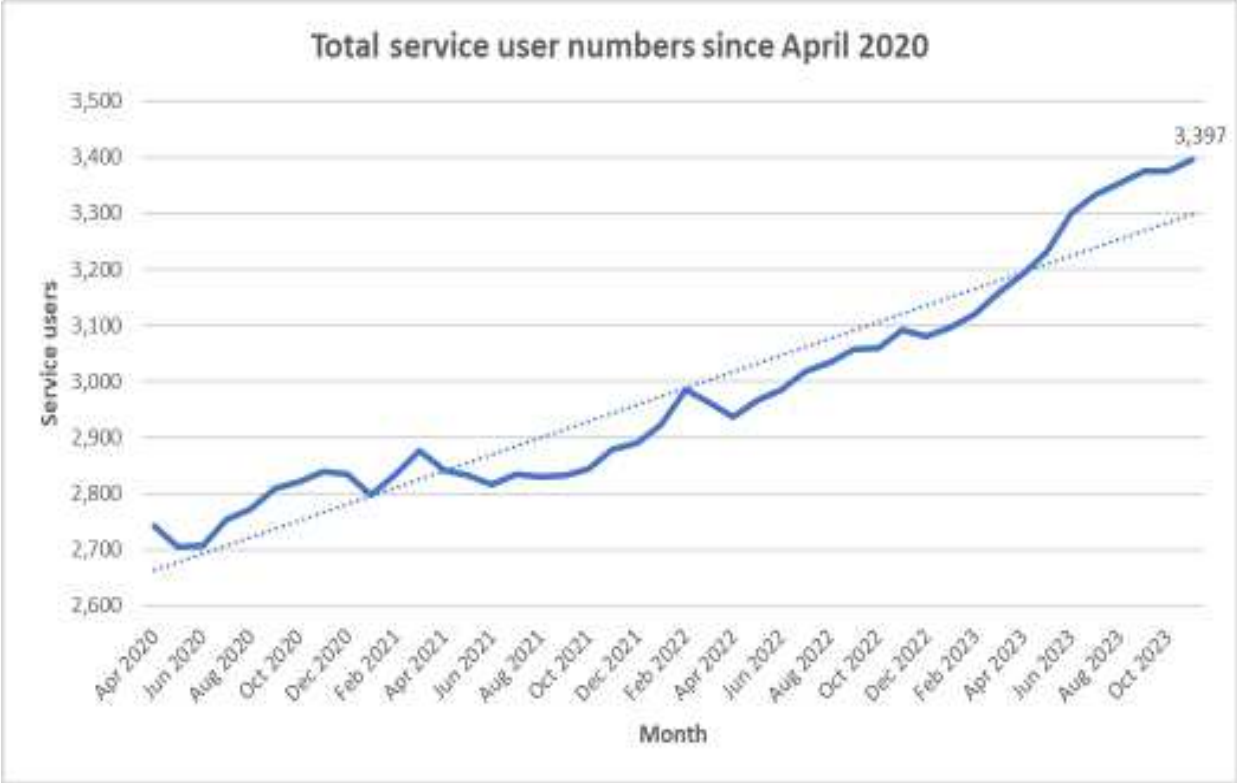
Attrition rate (current year effect)

	Budgeted (Apr to Nov)			Actual (Apr to Nov)			Variance (Apr to Nov)		
	Number	Value £	Average £	Number	Value £	Average £	Number	Value £	Average £
New service users	1,052	19,150,703	18,204	1,224	24,194,740	19,767	172	5,044,037	
Deceased service users	(480)	(8,238,067)	17,163	(384)	(7,606,271)	19,808	96	631,796	
Ended service users	(506)	(9,542,366)	18,858	(569)	(8,099,398)	14,234	(63)	1,442,968	
TOTALS	66	1,370,270		271	8,489,070		205	7,118,801	

The table above shows that the number of new service users on 30th November 2023 is 172 higher than had been budgeted, based on historical trends. For deceased service

users the figures are much lower than budgeted which is resulting in there currently being 205 more service users in receipt of care than budgeted.

Some work has been carried out to identify the factors behind these lower numbers and part of the reasons include fewer deaths occurring in Walsall for the same period this year when compared to last year, fewer service users transferring to 100% health funding (S117) and fewer service users becoming self-funding.



Note that service user numbers have now dipped below the trend line in both October and November.

Average costs

The last graph shows the average, full year costs for each care setting for the most recent 12-month period. The averages for 2022/23 have been increased by the 2023/24 uplift percentages to allow for a true comparison between the two years.

The two lower cost settings are domiciliary care and direct payments, and these are the two reporting the most stable average costs with a 1.24% and 5.83% increase, respectively.

Conversely, the higher cost settings are residential and nursing care (shown as separate lines) and supported living. Residential and nursing care show the largest increase in average costs at 7.35% and 16.22% respectively. While the overall year-on-year increase for supported living (all ages) is only 1.41%, average costs for over-65s in supported living care are now 13.62% higher than a year ago.

The largest increase has been seen in nursing care; additional work is required to understand the cohort that is contributing to this increase.

These increases are likely due to several factors:

- The effect of increases following review;
- Prices pressures from new residential and nursing placements;
- Possible increase due to fewer service users leaving care, these are generally the higher cost packages and placements due to increased length of care, complexity and cost, with fewer of these there is the likelihood that they are part of the reason for increasing average costs.



Care setting	Nov 2022	Nov 2023	Change £	Change %
Domiciliary Care	16,649	16,856	206	1.24%
Direct Payments	23,409	24,775	1,365	5.83%
Residential	45,488	48,833	3,345	7.35%
Nursing	45,295	52,642	7,347	16.22%
Supported Living	71,496	72,504	1,008	1.41%

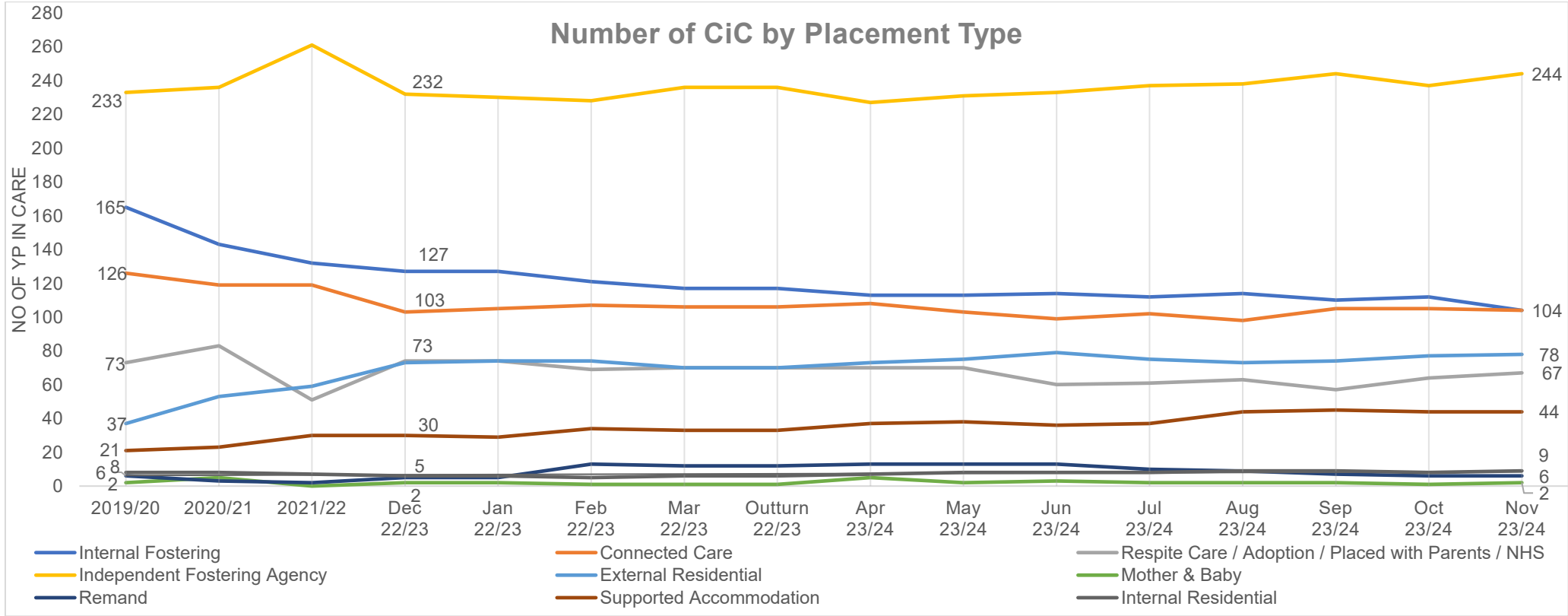
Appendix 11 – Performance data relating to demand within Children’s Services

Number of Children in Care by Placement Type

Year	2019/ 20	2020/ 21	2021/ 22	Dec 22/23	Jan 22/23	Feb 22/23	Mar 22/23	Apr 23/24	May 23/24	Jun 23/24	Jul 23/24	Aug 23/24	Sep 23/24	Oct 23/24	Nov 23/24
Total CiC	671	673	661	652	652	652	651	653	653	645	644	650	653	654	658

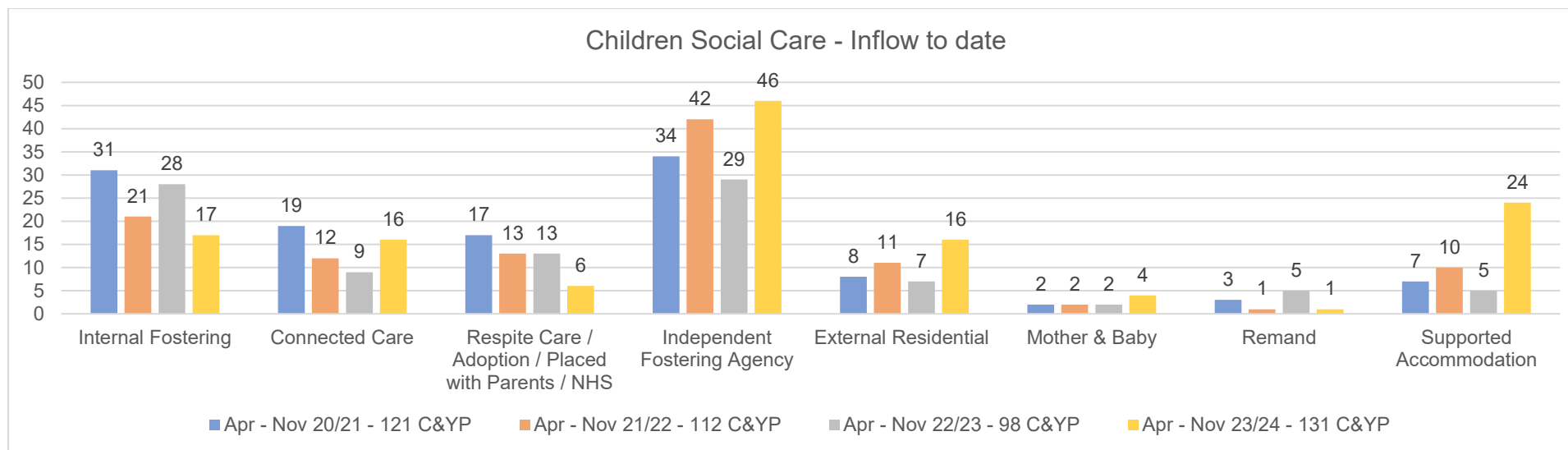
As at the end of November 2023, there were 658 children in care in Walsall, an increase of 7 children and young people since March 2023. In addition to this increase, there are continuing placement sufficiency pressures which has resulted in a change in the mix of placement types.

The introduction of new legislation for non-Ofsted registered placements; a rising number of large sibling groups; an increasing number of complex children; together with a higher proportion of children in care over the age of 15 are all factors which have contributed to the increased demand within the market.



The graph above shows how the reliance on higher cost placements has increased over the 12 month and 4-year period, with the number of independent fostering agencies (IFA) placements increasing from 232 in December 2022 to 244 in November 2023, and the number of external residential / mother and baby placements increasing from 73 to 78 over the same period. In comparison reliance on lower cost placements has reduced, with the number of IFA placements decreasing from 127 to 104.

This increased reliance on these placement types is also seen within the net inflow/ outflow figures for this financial year. The table below illustrates the net children in care inflow/ outflow to date for 2023/24 and the prior three-year inflow trends:



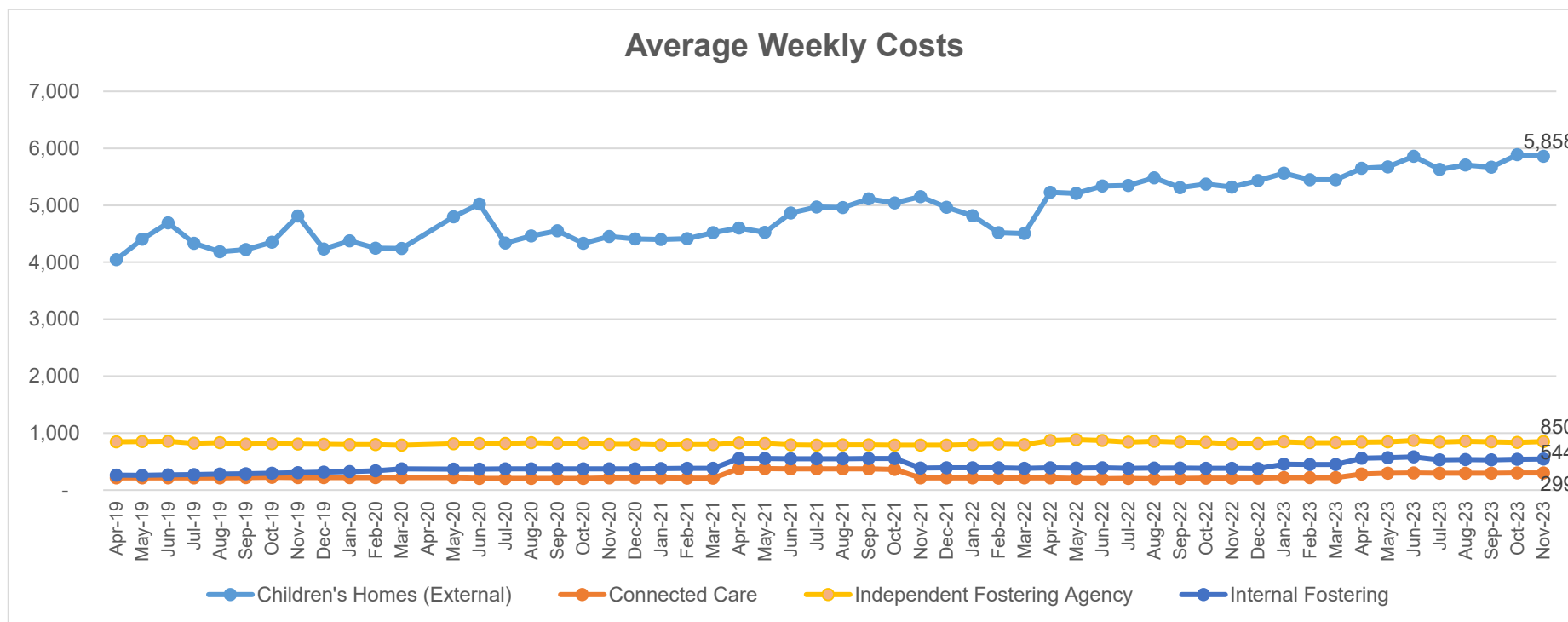
As the chart demonstrates above, the net number of children and young people entering and leaving care up to this point in the year, is higher than prior 3 years at 131, in comparison to 98 in 2022/23, 112 in 2021/22 and 121 in 2020/21. It also demonstrates how there is an increased reliance for IFA, external children’s homes and mother and baby units placements this financial year in comparison to previous years. To note, the growth in supported accommodation placements primarily relates to the increased intake of unaccompanied asylum seeking children (USAC), however this pressure has been offset by additional UASC income.

This has been further impacted by a reduced number of children leaving care compared to the prior three financial years. As at the end of November, there have been 67 children in care leave care, in comparison to 81 in 2022/23, 84 in 2021/22 and 71 in 2020/21. To note, this excludes those that have turned 18 as the financial impact of these have been considered within the forecast and budget.

This increased net inflow / outflow and change in reliance of placement types is over and above the trends that have been seen in prior years, and the allocated inflow / outflow budget, and has therefore created a net pressure to date of £2.08m. The position as at Period 9, assumes these trends will continue for the remainder of the financial year creating a further pressure of £460k. This pressure has been fully offset by corporate reserves. The increased inflow pressure has also been impacted through continued increases to the average weekly cost.

Children's services have undertaken remedial action to understand and analyse the increases seen and to embed new ways of working across early help and children's social care seeking to strengthen support provided at an earlier opportunity. There will be continued focus on understanding and pre-empting the needs of children requiring support, so these children can be targeted and needs can be met at the earliest opportunity.

The chart below shows the average weekly cost of the four most utilised placement types for Walsall's children in care. The average weekly cost for an external residential placement has significantly increased from £4k to £5.9k (45%) over the last 4 financial years, and from £5.4k 12 months ago. This is significantly higher than the average weekly cost of an internal fostering placement of £544 p/w and connected care placement of £299 p/w.



In recognition of the financial impacts above, the service has focussed on stepping children and young people down to lower cost placements where possible. To date there have been 95 placement step downs with further step downs planned for the remainder of the financial year. These cost reductions have reduced the impact of the placement breakdowns and step ups seen to date, which have been financially heightened due to the placement sufficiency issues described above.

Cabinet – 7 February 2024

Cabinet Report - Council Plan: Markers of Success Q2 23/24

Portfolio:	Councillor Bird – Leader of the Council
Related portfolios:	All
Service:	Policy & Strategy Unit
Wards:	All
Key decision:	Yes
Forward plan:	Yes

1. Aim

- 1.1 To report on Quarter 2 of the 2023/24 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) EPICC¹ 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 2023 (i.e. Quarter 2).

¹ Economic growth, People, Internal focus, Children, Communities

3. Recommendations

- 3.1. That Cabinet note the performance in Q2 relating to the period July-September 2023.
- 3.2. That Cabinet note 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 outcomes below*)

Council Plan priorities

- 4.4. The five Council Plan priorities and ten outcomes:

Priorities:	Outcomes:
Economic: 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
People: 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
Internal focus: 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
Children: 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
	8. Children grow up in connected communities and feel safe everywhere

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	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 our outcomes. However, with Hub development still ongoing, 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 – which will be developed during 2023/24.
- 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 have been 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	8	MoS met / exceeded target
Amber	10	MoS close / on track to achieving target
Red	0	MoS did not achieve target
Grey	2	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 e.g. having to redirect capacity to support the impact of the COVID-19 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

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Kerrie Allward
Executive Director
Adult Social Care, Public Health & Hub
26 January 2024



Councillor Bird
Leader of the Council

26 January 2024

Council Plan Performance Reporting: Q2 23/24

	Outcome	Marker of Success	Lead Director(s)	Performance / Data owner contacts	Baseline measures - updated for 22/23	Qtr3: Oct - Dec 2022	Qtr4: Jan - Mar 2023	Qtr1: Apr - Jun 2023	Qtr2: Jul - Sep 2023	Q1 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	David Moore	Richard Pohribnyj	Highways condition: free from defects (Source: Safety Inspections Monitor, Tarmac Contract KPI, UTC Dashboard)	G	G	G	G	Highway Safety Inspections completed on time = 100% Highway emergency defects attended to within 1 hour = 100% Number of Urgent traffic signal faults repaired within time by contractor (%) = 99% Number of Non-Urgent traffic signal faults repaired within time by contractor (%) = 96% Traffic signal inspections completed on time = 100%*
				Simon Tranter (Dan Turner)	Business Engagements (Source: Evolutive CRM & Walsall Works Records)	G	G	G	G	For Q2 23/24 Walsall Council Business Team completed Business Growth West Midlands (BGWM) diagnostics with 38 businesses and fielded a further 9 inquiries from businesses where a diagnostic was not completed and further support not required. Key achievements for this quarter: -38 completed business diagnostics -Preparations for the formal launch event of BGWM -Engagements with strategic businesses including: ASSA ABLOY, Homeserve, RAC, Albert Jagger, AF Blakemore, Chamberlin and Hill and Metafin -Preparation for the launch of 2 x business grant programmes (SME Grants and Net Zero Grants) -Strategic engagement meetings with key partners including Black Country Chamber of Commerce and Best of Walsall
	1b. Regenerating the borough to support places where people are proud to live and work, delivering affordable homes and attracting inward investment	David Moore	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	G	G	As outlined recently in a leading property investment articles, Walsall is showcasing as one of the best up-and-coming areas in the UK to invest in property. It has been noted for its regeneration and development plans which plan to revitalise the borough and will be a key factor in attracting businesses, investors and residents. The two reasons property investors should consider the areas is the extensive regeneration and development plans and our affordable housing market. Articles such as this help to strengthen the case for any new business interest with investment potential to locate in the town, which in turn will boost the economy and create new jobs for the region and boroughs growing population. Currently there continues to be a good supply of job vacancies being advertised locally. Data obtained from the new Economic Intelligence Unit highlights growth in unique job postings in Walsall since the pandemic when vacancies hit record lows, at only 2,608 vacancy postings per month during 2020. The most recent statistics for Walsall, show there were 6,415 unique active job postings in October 2023 and this saw an increase by 2,055 postings since September 2023 which could be due to businesses recruiting for Christmas seasonal vacancies. These job postings ranked Walsall in 99th position on unique job listings, whilst Manchester in 1st position saw a huge 77,357 unique job postings in the same period.	
2. Education, training and skills enable people to contribute to	2a. Provide access to education, apprenticeships and training to improve productivity and skills	David Moore	Simon Tranter (Jane Kaur Gill)	Walsall Apprentices on programme (BC Data Cube, April 2021)	G	G	G	G	A summary on comparisons on previous years shows the difference in total apprenticeship starts. 2,310 apprenticeship in a full year August 2018 to July 2019 1,910 apprenticeships in a full year August 2021 to July 2022 1,780 apprenticeship starts in a full year August 2022 to July 2023 However, certainly in the last academic year it is noted that nationally, apprenticeship starts were also down by from the previous academic year with a reduction of -3.5%. However	

	their community and our economy	2b. Reducing unemployment through collaborative working with employers and partners	David Moore	Simon Tranter (Jane Kaur Gill)	Walsall Universal Credit Claimant Data (ONS, March 2021)	A	A	A	A	There has been a reduction of 365 people between June – September 2023, in the number of Universal Benefit Claimants since the previous quarter report. The current claimant count figures for Walsall are set out below, including claimant count by ward. Claimant count by sex and age Gender Total Age 16+ Date Walsall Great Britain W Midlands January 2023 9,510 1,467,835 173,830 February 2023 9,500 1,491,050 176,200 March 2023 9,800 1,521,740 180,635 April 2023 10,100 1,546,785 185,130
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.	Jennie Pugh	Anne Doyle / Tina James/Paul Calder/Donna Gyde	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	G	G	<ul style="list-style-type: none"> 1237 people were signposted to universally accessible community support services such as pendant alarm services, physiotherapy services, GPs and housing providers. 1205 people were signposted during Q2 2022/23 giving a 2.6% increase in Q2 for 2023/24 200 of 297 (67.34%) of people not previously in receipt of long-term support who exited reablement services made no further request for ongoing support. The percentage of people not requiring support following a reablement episode had shown a downward trajectory when compared to the previous year 75.25% at the end of Q2 22/23 to 67.34% at the end of Q2 2023/24 but an improvement on the 61.6% at the end of Q1 2023/24
		3b. People feel safe in their home and community	Jennie Pugh	Anne Doyle /Tina James/Paul Calder/Donna Gyde	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	G	G	<ul style="list-style-type: none"> 132 people reported to the form of safety and security concerns. The Of the 126 safeguarding enquiries concluded during the period where a risk was identified, the risk was removed or reduced in 113 (89.7%) cases. A slight increase on 89.6% in Q1 of 2023/24 2630 people were supported to live independently at home during the quarter via the provision of a long-term community-based service a 3.3% increase on the 2546 people supported during quarter 1 and a 9.7% increase on the 2398 people supported during Q2 of 2022/23. The components of services being received in Q2 2023/24 (please note a single person may receive more than one component) 1581 received directly commissioned domiciliary care, (compared to 1510 during Q1) 710 were supported via a direct payment, (compared to 668 during Q1) 284 were residing in a directly commissioned supported living placement, (compared to 271 during Q1) 115 in extra care housing (compared to 118 in Q1) 61 in a shared lives placement (compared to 59 during Q1) The Wellbeing Service, One You Walsall has now ended and a new, broader Wellbeing Service "Be Well Walsall" has been commissioned and mobilised. Be well Walsall will provide wellbeing and outcome data going forward. Upon wrap up of the One You Walsall service, they reported that: 1758 people had been referred into the service 294 received more intensive targeted support Average mental wellbeing score (measure through WHO-5 validated questionnaire) for those that completed targeted support increased from 54.1 at assessment to 58.6 at completion.
	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.	Nadia Inglis	Claire Heath	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	G	G	<ul style="list-style-type: none"> The Wellbeing Service, One You Walsall has now ended and a new, broader Wellbeing Service "Be Well Walsall" has been commissioned and mobilised. Be well Walsall will provide wellbeing and outcome data going forward. Upon wrap up of the One You Walsall service, they reported that: 1758 people had been referred into the service 294 received more intensive targeted support Average mental wellbeing score (measure through WHO-5 validated questionnaire) for those that completed targeted support increased from 54.1 at assessment to 58.6 at completion.
		4b. People can access timely social care support and reablement to prevent a hospital admission or facilitate a timely discharge	Jennie Pugh	Kerrie Thorne/Matt White	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	G	G	<ul style="list-style-type: none"> During Q2 - 146 people were referred as hospital avoidance cases The Outcomes for people referred for hospital avoidance: 0 people were fast tracked (Pathway 4) 30 people were Pathway 0 - signposted to other services and did not require care or reablement (23 people during Q1) 106 people were admitted to Pathway 1 for reablement (101 people during Q1) 6 people were admitted to Pathway 2 into a bed-based rehab facility (7 people during Q1) 4 people were admitted to Pathway 3 for ongoing health and social care assessments in a bed-based facility (6 people during Q1) During Q2 – 802 people were referred as hospital discharge cases onto Pathway 1 (Reablement in the community) (837 people during Q1) Total = 948 people discharged via community reablement, or admission avoided in Q2 of 23/24 (compared to 974 in Q1)
	5a. Services will be accessible and easy to use with improved customer satisfaction	Elise Hopkins	Michelle Dudson/Michael Taylor	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	A	G	In the last update for Q1 we enabled customer satisfaction surveys, since then the number of responses has increased and overall customer satisfaction has increased 90.51% and NPS is 74. This is based on advisors manually sending requests for surveys since go live in July. We have overcome our largest hurdle for enabling automated customer survey requests, this was having caller ID available on all lines, this was not the case until very recently. However, this is now configured.	

INTERNAL	5. We get things right, first time and make all services accessible and easy to use	5b. Customers and partners report that they would recommend working with us in the future	Elise Hopkins		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	A	A	"This measure has been reported against in previous quarters based on an annual survey response, which captured the views of only a small subset of service users in adult social care. Policy & Strategy Unit are currently focussing on the effectiveness of the measures within the Internal Focus priority as part of their work to overhaul the Corporate Performance Reporting process and ensure it supports performance-driven conversations. This will include understanding the Key Performance Indicators used elsewhere (for example to monitor our Proud Promises and our Enabling and Support Services workstream). Replacement measures will be explored as a priority and introduced in future quarters. "
	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: • Improved outcomes and customer experience from current level of 73% to 77% by Apr 23 • Improved employee satisfaction and engagement from current level of 61% to 67% by Apr 23 • Improved service efficiency and performance (deliver within approved budget and deliver Proud savings)	A	A	A	A	Efficiencies Promise: Budget position and Outturn 2023/24: As at quarter 1, the reported corporate financial position indicated a potential council wide variance to budget of £14m, primarily arising from non delivery or delayed delivery of savings (£7.3m after mitigating actions) and pressures within adults social care demand costs. Actions to address these are currently being identified. The quarter 2 position was a forecast spend above budget of £18.35m prior to service mitigation actions identified to date of £3.81m and central mitigating actions of £10.82m, which reduces the overall position to a £3.72m overspend. Work continues to identify further actions to bring the position closer to the budget and ensure a balanced outturn is delivered by 31 March 2024. Therefore, significant progress has been made in meeting the marker, however the overall underlying overspend had increased at the end of this quarter. Continued action has taken place in quarter 3 to reduce this.
		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: - Updating the action plan developed after the staff survey - A pay and reward review - Workforce Strategy - Organisation Development Strategy - Culture Stocktake: where are we now?	A	A	A		Following feedback on this Marker of Success from several colleagues across the organisation we will look to be modifying it in the next quarterly update. We will provide commentary in the next report as to what changes have been made, and as to why these changes have been made. If you have any further questions on this please contact the Policy and Strategy Unit.
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	Colleen Male	Dave Trask	% of children who attend good and outstanding schools	G	G	G	A	86.9% of children attended good and outstanding schools as at 19/10/2023 - small decrease compared to last quarter	
				% of 16, 17 and 18 year olds who are not in Education, Employment and Training	G	G	G	A	As at September 2023 – 1.4% of young people are NEET, and 13.6% of young people are "unknown", giving a total official figure of 15.0% - <i>direction of travel – remains stable</i> , Please note- September Not knowns are usually high due to September being start of the new academic year.	
				% of children excluded from school (fixed term and permanent)	A	A	A	A	Primary Suspensions – 0.17% (47) an increase from 0.09% (25) when compared to Jul - Sep 2021-22 academic year - <i>direction of travel - increasing</i> . Permanent – 0.01% (3) an increase from 0.00% (0) when compared to Jul - Sep 2021-22 academic year - <i>direction of travel - increasing</i> . Secondary Suspensions – 1.44% (273) an increase from 0.95% (178) when compared to Jul - Sep 2021-22 academic year - <i>direction of travel – some increase within the term, but remaining within the parameters of the baseline</i> . Permanent – 0.08% (16) an increase from 0.02% (4) when compared to Jul - Sep 2021-22 academic year - <i>direction of travel – small increase, remaining within the parameters of the baseline</i> .	
	% of Care Leavers who are in Education, Employment and Training	A	A	A	A	53.5% of care leavers aged 19 to 21 were in EET at the end of Sep 23 – <i>direction of travel – increasing from Q1 (50%)</i> .				

CHILDREN											
CHILDREN		7b. Children and young people with additional needs or in specific circumstances are identified and supported to have their health and education needs met.	Colleen Male	Dave Trask	% of EHC assessments completed within 20 weeks	R	R	R	G	Between 1st January 2022 and 31st December 2022 - 8.5% of EHC assessments were completed within 20 weeks. However, significant work has been undertaken in this area to improve and streamline the processes for undertaking EHC plans and the timeliness of decisions to assess and decisions to issue have improved significantly, as has the timeliness of advices received from health and other professionals during the assessment. The backlog has been cleared and timeliness of new assessments entering the system is improving. As a result of this early Q2 data against the 20 week target is already starting to demonstrate improvements. Between 1st July 2023 and 30th Sep 2023 - 82% of EHC assessments were completed within 20 weeks - <i>direction of travel is improving.</i>	
					% of children in care with up to date health assessment	A	A	A	R	As at the end of Sep 2023, 68.9% of children who have been in care for a continuous 12 months have had an up to date health assessment – <i>direction of travel – decreasing 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.	Colleen Male	Dave Trask	% of social care contacts which lead to a referral	A	A	A	A	25.6% of requests for social care contacts led to a referral between 01/10/2022 and 30/09/2023 - <i>direction of travel - decreasing from Q1</i> , however performance is in line with other Local Authorities.
						% of social care assessments completed within 45 days	G	G	G	G	87.8% of social care assessments were completed within 45 days from 1/10/22 to 30/09/23 this is a slight decrease on the Q1 (23/24) figure out-turn of 88.9% but remains stable and was significantly higher than statistical neighbours (78.7%), regional comparators (81.2%) and national out-turn (82.5%) 2022-23 outturns.
		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.	Colleen Male	Helena Kucharczyk (Dave Trask)	% of children and young people who contribute to their CP conferences	G	G	G	G	96.0% of children and young people who contribute to their CP conferences between 01/10/2022 – 30/09/2023 – <i>direction of travel – fallen slightly from Q1 but within parameters of good performance</i>	
					% of children and young people who contribute to their LAC review	G	G	G	G	96.3% of children and young people in care contributed to their review between 01/10/22 – 30/09/23 – <i>direction of travel – increasing on Q1</i>	
				Number / Rate per 10,000 of children entering care	G	G	G	A	198 or 29.0 per 10,000 age 0-17 of children entered care between 01/10/22 – 30/09/23 - <i>direction of travel – increasing from Q1 22/23 (182)</i>		
				Number of first time entrants into the criminal justice system	A	A	A	A	76 young people were first time entrants into the criminal justice system between 01/10/22 and 30/09/2023 – <i>direction of travel – increased slightly from 68 last quarter</i>		
			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)	A	A	A	A	4 ESOL provisions running in Birchills, St Matthews and Palfrey led by Aaina Community Hub, Nash Dom CIC and Simple Steps Training CIC. The last quarter saw 175 learners complete provision from Pre-Entry Level to Intermediate. We have embedded numeracy skills in sessions to support with the current cost of living crisis for learners to be able to manage their finances and learn how to budget. The majority of self-referrals are coming through the Walsall for All inbox. DWP are now directly engaging with our deliverers and sending referrals directly to them. Simple Steps Training CIC took learners to a restaurant before they broke up for Christmas. The restaurant was asked by the tutor to speak in English only and learners were encouraged to place their own order in English, ask questions about allergies and dietary requirements.
						- Development of improved and joint volunteering infrastructure (PG designing through new tender)					
					- Number of new groups involved in voluntary sector (One Walsall)						
					- Qualitative feedback						

COMMUNITIES	9. Our communities will be more resilient and supportive of each other	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 - Qualitative feedback	A	A	A	A	<p>consultation outputs</p> <p>Over 20 community groups have been engaged with. Simple Steps Training CIC have completed the consultation with 72 ladies. We are awaiting for the responses. Nash Dom CIC have completed their consultation. We are awaiting for their responses.</p> <p>any one to one support or new partnerships built</p> <p>Jain community based in Walsall (up to 10 families living in Walsall). Cameroon (West Africa) community has been identified through networking with the existing African community. Partnership built with DM Coaching, who support over 200 young people and children through sport and fitness. Partnership built with Sher Ali Imtiazi, who is connected to Masjid Al Madina (Mount Street). Sher Ali will be looking to support with men's ESOL classes in the Palfrey area, as the demand for men's referrals has increased.</p> <p>faith and Armed Forces Covenant</p> <p>The next scheduled Walsall Faith Forum event will take place Wednesday 7th of February 2024. The Faith Covenant has yet to be signed and agreed by the faith representatives once the Terms of Agreement has been agreed.</p> <p>knife angel</p> <p>The Faith Walk was successfully attended by 30 faith representatives. A representative from each faith group (Christian, Hindu, Muslim, Ravidassia and Sikh) handed the knife angel lantern to Mark Brindley to lead the faith walk to the actual Knife Angel sculpture. Inspirational talks were led by Christian and Muslim faith representatives, and the ceremony</p>
		10a. The Borough's streets are clean, green and welcoming, with more waste recycled and less going to landfill	Kathryn Moreton	Joanne Cockbill	% of household waste by disposal method (reuse/recycle/composting; energy recovery; landfilled)	A	A	A		Comments delayed and will be inputted as soon as data is available. Data for this marker of success is consistently available after the quarterly report submission timeframe.
	10. People are proud of their vibrant town, districts and communities	10b. People feel safe in their local area and anti-social behaviour and crime – particularly environmental crime is reduced	Kathryn Moreton	Joanne Cockbill / Dave Elrington	-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. - Number/size/ type of Flytipping incidents dealt with by Clean and Green (Flycapture)	A	A	A	A	<p>Good progress in regards anti-social behaviour in particular and with regard to Trading Standards disruption around OCGs and sales of products to those who are under age and potentially vulnerable. •A consultation was carried out in June 2023 with regard to the Town Centre and how safe people feel there this was to justify renewal of the Town Centre Public Spaces Protection Order which prohibits street drinking, urination, drug taking etc. This consultation also led for the first time for a 'ban' on motorised scooters around the market areas of Walsall Town Centre as this was raised in the consultation and seen as an increasing problem. During Q2 the legal and administrative work to get the Order approved and sealed was undertaken and it was finally sealed 12/10/2023.</p> <p>•One individual was prosecuted during this period for breaching the PSPO by urinating in the street he was fined and 'banned' from the town centre using a Criminal Behaviour order.</p> <p>•3 individuals were prosecuted for littering in Pelsall,</p> <p>•1 individual was prosecuted for fly tipping (in Willenhall) and two more were issued with arrest warrants to bring them before the court.</p> <p>•Enforcement Officers provided evidence of aggression and racial abuse to a member of council staff to the Police how prosecuted and the individual received 12-month Community Order.</p> <p>•2 shops prosecuted by Trading Standard one for selling cigarettes to under age persons, one for selling illegal vapes.</p> <p>•Trading Standards seized illegal cigarettes, tobacco & vapes with assistance from teams 2 & 3 from St Matthews neighbourhood police. The seized items amounted to 68000 cigarettes, 210 pouches of tobacco & 183 vapes - street value £20k, if genuine £50k – these items fund activity by organised crime gangs (OCGs).</p> <p>•In order to reduce significant ASB issues several Off Road Vehicle were exercises were undertaken with Police using their drones and aircraft and Healthy Spaces on open spaces around the north of the borough. As a result of exercises undertaken 40+ off road vehicles being seized from offenders.</p> <p>•Team evicted an unauthorised camper on Walsall Arboretum and unauthorised caravans that had entered the Councils Transit Site without permission.</p>

	Outcomes:	Markers of Success:	Key Achievements:
E	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	Key achievement is meeting 100% performance targets for highway safety inspections, highway emergency defect response times and traffic signal inspections.
		1b. Regenerating the borough to support places where people are proud to live and work, delivering affordable homes and attracting inward investment	<p>The Employment and Skills Team deliver support predominantly unemployed residents through a number of employability programmes, namely Walsall Works, Multiply and Restart programmes, and this is in an aim to reduce the universal benefit claimant count. The increase in the volume of job postings means that there is more opportunity for all and particularly benefit claimants, although it is noted there may be some mis-matches between jobs available and aspiration of jobseekers. The ratio of jobs to those actively seeking is more than 2:1 which suggests that there is less competition for work and that people seeking work are closer to the labour market or in a position to receive relevant support to access local employment.</p> <p>The top occupations have remained in high demand and this is unlikely to change, given these make up to half the total job postings, notably in nursing, health care and teaching. We use this intelligence to motivate our participants which in turn will reduce the skills deficits and the issue of a skills mismatch in our borough.</p> <p>In the last quarter, we have reviewed our process and paperwork on our employability programmes, in order to try and obtain more relevant information on our participants, ie the use individual action plans to capture personal interests, aspirations which we can then review to assess if these match to vacancies. The role of our Employment Advisors is to continuously inform participants of live job vacancies and go through career choices which will include a diagnostic on skills. They will assess if clients do possess the required skills or entry requirements to access current employment in key sectors and will try to encourage and support clients to access relevant training and qualifications. Through our support we provide real time local labour market intelligence, with a focus on key growth sectors, labour market intelligence, unique jobs posting information and good collaborative working with the National Careers Service who have developed useful sector fact sheets which help inform on the current jobs in demand in our local areas.</p> <p>For all our participants, we have introduced two weekly job clubs which operate from the Lichfield Street Library, which help our participants to navigate live vacancies and we also use these for recruitment sessions by inviting employers 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. In this quarter sessions have been led by Amey, who held a Journey to Work Event in July at the Lichfield Street Library Hub, and this was part of their corporate social responsibility commitment to actively promote their job opportunities to local people. We promoted Teaching Assistant positions led by Smile Education, HGV Driving led by GTG Training, Hospitality (led by Metro Inn), Construction (led by HS2 contractor Reliant), General Operative roles (led by Innov8synergy), General vacancies (led by Starting Point Recruitment), Fibre Optic Installers roles led by a telecommunication company.</p> <p>We held the Walsall Works Expo on 14th September 2023 at the College Business Hub which saw 80 exhibitors including employers, training providers and support agencies from health, housing, debt, advice to be on hand to engage with 1000+ local unemployed people. This year's event also had a special hourly slot for students who were seeking part time employment, which saw a hundred Walsall College students attending to make applications.</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	We rely on our continued working relationships with apprenticeship providers, as Apprenticeship funded providers such as Walsall College, are largely responsible for sourcing, marketing and filling apprenticeship vacancies. Whilst we do receive their monthly vacancy lists to promote vacancies to our participants but we are finding that employers are largely recruiting young people via schools or through progression of their existing student

			<p>pool. There are still very few new apprenticeship starts which attract older adults, but we note that apprenticeship levy paying employers are attracting their existing workforce to take up apprenticeship, especially at higher levels in leadership and management at diploma and degree level programmes. We have also noted that the Council is actively utilising the levy funding, to create apprenticeships in social work and programme management which will help progress the existing workforce into professional and technical roles. Therefore, participation for older adults the pathway is generally for those already in the workforce, and in particular with large employers through their apprenticeship levy programme as this is a government driver to creating new apprenticeships.</p> <p>The introduction by Government on new higher level skills programmes and funding through Skills Funding entitlements and Bootcamps, may also have also contributed to the reduction and the appetite to create apprenticeships from employers.</p> <p>More work to get employers on board needs to take place and in particular to encourage them to offer valuable work placements as part of a new pre-apprenticeship routes for young people, especially as some employers still only wish to recruit learners who have just completed GCSE's with good Maths, English and Science 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. With the traditional traineeship offer ceasing, there is definitely a need to consider new entry points, so we will work closely with the WMCA to design a new pre-apprenticeship programme to help progress students who do not wish to enter traditional further education and young people not in education to access apprenticeship vacancies. This model may be attractive to vulnerable young people as it would be subsidised and would affect their entitlement to benefits. This will create a natural feeder to live vacancies available within business.</p>
	<p>2b. Reducing unemployment through collaborative working with employers and partners</p>		<p>The reduction of 365 claimants in the borough has been noted in some of the ward statistics.</p> <p>Claimant count by sex and age Gender Total Age Age 16+</p> <p>Borough / Ward Area Nov 2023 Walsall 9,510 Aldridge Central and South 210 Aldridge North and Walsall Wood 235 Bentley and Darlaston North 590 Birchills Leamore 820 Blakenall 745 Bloxwich East 485 Bloxwich West 490 Brownhills 305 Darlaston South 765 Paddock 275 Palfrey 750 Pelsall 155 Pheasey Park Farm 180 Pleck 875 Rushall-Shelfield 285 Short Heath 280 St Matthew's 880 Streetly 100 Willenhall North 350 Willenhall South 740</p>

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.	<p>A regional PSW practice review was undertaken in the Learning Disability Team during July 2023 with the theme 'strengths-based practice and defensible decision-making with adults with a learning disability'. The findings highlighted a number of strengths including 'experienced practitioners who demonstrated a good knowledge base and how they based decisions on evidence'. Whilst there were areas for improvement identified including 'developing practice around professional curiosity, and ensuring a person's identity is understood and fully explored', there was evidence of people being supported to build on their strengths.</p> <p>Our Adult Social Care Employment Service supports those individuals of working age, with a disability or long term health condition to gain and maintain employment, education and training opportunities. The service works closely with a range of local Employers, Training providers educational establishments and internal services to ensure clear pathways are developed to support our residents into positive outcomes. Our local employment dashboard demonstrates that from our half yearly position there has been an increase in the new engagements from 76 in 2022/23 to 87 in 2023/24. As a result of the support received from the service, over 40 people known to Adult Social care, between April – September have achieved positive outcomes in terms of gaining and sustaining employment, returning to education or commencing training & volunteering, to further enhance their future employment prospects. This also demonstrates a strong performance in relation to our outcomes in this area both locally and nationally.</p> <p>Walsall Adult Social Care have been a delivery partner for a European Social Funded initiative called 'Black Country Impact'. The purpose of the programme was to tackle Youth Unemployment across the region. Following the project completion date in August 2023, we have successfully delivered employment, education and training outcomes to 573 young people, 16-29 with a disability across the borough.</p> <p>Two pilot projects have commenced: centralised duty and ICS reviewing. The duty project brings together practitioners from each locality to respond to enquiries from the public and providers. This enables the sharing of information and development of good practice. The project has identified areas of development and enabled the building of relationships with internal partners with the aim of providing a better customer experience.</p> <p>The second project is a small team of Social Care Facilitator's & Social Workers with external OT's who are reviewing all cases exiting the ICS pathway with the aim of ensuring a strength-based approach has been used and proportionate services provided. The Team so far have generated savings.</p>
		3b. People feel safe in their home and community	<p>Adult Social Care to support the development and delivery of a multi-agency conference on self-neglect and hoarding on 17th October.</p> <p>Continue to support the development of the new front door (CAM) to ensure people who contact the council are responded to in a consistent manner, and that the safeguarding pathway is fully embedded and aligned to the Access Team Quarter two has also seen waiting lists for assessment in localities improve and the teams are on target to complete the annual reviews in line with Care Act duties.</p>
	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.	<p>Be well Walsall will provide wellbeing and outcome data going forward. Upon wrap up of the One You Walsall service, they reported that:</p> <ul style="list-style-type: none"> • 1758 people had been referred into the service

			<ul style="list-style-type: none"> 294 received more intensive targeted support Average mental wellbeing score (measure through WHO-5 validated questionnaire) for those that completed targeted support increased from 54.1 at assessment to 58.6 at completion.
		4b. People can access timely social care support and reablement to prevent a hospital admission or facilitate a timely discharge	<p>Although slightly below target (95%) 93% of people remained in the community following an admission intervention.</p> <p>It should be noted that 7 of the people were placed into rehabilitation (Pathway 2) beds with the potential to be discharged home following this intervention. We need to develop a reporting mechanism around whether people who are placed into Pathway 2 beds are subsequently discharged home. It is likely that the Pathway 3 (2.7%) placements will result in long term care home placements.</p>
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	We have overcome our largest hurdle for enabling automated customer survey requests, this was having caller ID available on all lines, this was not the case until very recently. However, this is now configured.
		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	<p>The quarter 2 position was a forecast spend above budget of £18.35m prior to service mitigation actions identified to date of £3.81m and central mitigating actions of £10.82m, which reduces the overall position to a £3.72m overspend. Work continues to identify further actions to bring the position closer to the budget and ensure a balanced outturn is delivered by 31 March 2024.</p> <p>Therefore, significant progress has been made in meeting the marker, however the overall underlying overspend had increased at the end of this quarter.</p>
		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	86.9% of children attended good and outstanding schools as at 19/10/2023, As at September 2023 – 1.4% of young people are NEET, and 13.6% of young people are 'unknown', giving a total official figure of 15.0%,
		7b. Children and young people with additional needs or in specific circumstances are identified and supported to have their health and education needs met.	Between 1st January 2022 and 31st December 2022 - 8.5% of EHC assessments were completed within 20 weeks. However, significant work has been undertaken in this area to improve and streamline the processes for undertaking EHC plans and the timeliness of decisions to assess and decisions to issue have improved significantly, as has the timeliness of advices received from health and other professionals during the assessment.
	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.	87.8% of social care assessments were completed within 45 days from 1/10/22 to 30/09/23
		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.	96.3% of children and young people in care contributed to their review between 01/10/22 – 30/09/23
C	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	The last quarter saw 175 learners complete provision from Pre-Entry Level to Intermediate. We have embedded numeracy skills in sessions to support with the current cost of living crisis for learners to be able to manage their finances and learn how to budget.

			<p>The majority of self-referrals are coming through the Walsall for All inbox. DWP are now directly engaging with our deliverers and sending referrals directly to them. Simple Steps Training CIC took learners to a restaurant before they broke up for Christmas. The restaurant was asked by the tutor to speak in English only and learners were encouraged to place their own order in English, ask questions about allergies and dietary requirements.</p>
		<p>9b. Trust will be built within and between communities across the Borough</p>	<p>Over 20 community groups have been engaged with. Simple Steps Training CIC have completed the consultation with 72 ladies. We are awaiting for the responses. Nash Dom CIC have completed their consultation. We are awaiting for their responses.</p> <p>any one to one support or new partnerships built</p> <p>Jain community based in Walsall (up to 10 families living in Walsall). Cameroon (West Africa) community has been identified through networking with the existing African community. Partnership built with DM Coaching, who support over 200 young people and children through sport and fitness. Partnership built with Sher Ali Imtiaz, who is connected to Masjid Al Madina (Mount Street). Sher Ali will be looking to support with men's ESOL classes in the Palfrey area, as the demand for men's referrals have increased.</p>
		<p>10a. The Borough's streets are clean, green and welcoming, with more waste recycled and less going to landfill</p>	<p>Awaiting Feedback</p>
<p>10. People are proud of their vibrant town, districts and communities</p>		<p>10b. People feel safe in their local area and anti-social behaviour and crime – particularly environmental crime is reduced</p>	<ul style="list-style-type: none"> • 3 individuals were prosecuted for littering in Pelsall, • 1 individual was prosecuted for fly tipping (in Willenhall) and two more were issued with arrest warrants to bring them before the court. • Enforcement Officers provided evidence of aggression and racial abuse to a member of council staff to the Police how prosecuted and the individual received 12-month Community Order. • 2 shops prosecuted by Trading Standard one for selling cigarettes to under age persons, one for selling illegal vapes. • Trading Standards seized illegal cigarettes, tobacco & vapes with assistance from teams 2 & 3 from St Matthews neighbourhood police. The seized items amounted to 68000 cigarettes, 210 pouches of tobacco & 183 vapes - street value £20k, if genuine £50k – these items fund activity by organised crime gangs (OCGs).

	Outcomes:	Markers of Success:	Interdependencies:
<p>ECONOMIC - Enable greater local opportunities for all people, communities and businesses</p>	<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>For highway safety inspections and highway emergency defect response times interdependencies are performance of Alloy software and performance of highway contractor Tarmac</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>We rely on our relationships with other key government agencies and funded partners (Chamber, FE Colleges, DWP, Housing, Health, Local Authority) to commit to continued collaboration and working together to share opportunities which will help to motivate and engage our residents to improve their economic and health wellbeing.</p> <p>We require continuous business and developer interest in the regeneration of the borough to support the place to be attractive for new investment and for business re-locations or expansions. This will create an environment where people are proud to live and work in the borough. We rely on our colleagues managing physical regeneration schemes to create opportunities to engage in direct dialogue with developers and agents to introduce the principles and benefits of social value commitment with clear interventions being agreed to create opportunity for businesses and people ie Planning, Towns Deals, Regeneration Schemes and new Commercial Contracts.</p> <p>We are already in regular contact with some major contractors and partners to support the achievement of social value commitments, and we have regular conversations with HBD on opportunities being created on the new SPARK (Phoenix 10 site). Future meetings will focus on their ability to bring forward work experience programmes, work placements through Works+, new apprenticeship roles and groundworker roles, both in the current remediation phase and moving forward in development of the bespoke commercial units on this prestigious site.</p> <p>We will rely on building relationships with other major developers and contractors, to maximise on the potential to draw out goodwill on social economic and environmental schemes. We have already made contact with Keepmoat on the Willenhall housing development and Kier on the Darlaston and Willenhall train station redevelopment schemes. We are also keen to engage with the commercial contractors for the new recycling centres in Bloxwich and Aldridge.</p> <p>We will keep good links with procurement colleagues to ensure that each new tender is assessed on social value with a weighting of 5% minimum to 15% maximum and will assess that their tenders respond appropriately and include tangible KPIs and employment related outcomes.</p>

			<p>Our relationship with external partner organisations and statutory organisations is robust ie WMCA, FE, Independent training providers, DWP and other WM based local authority Employment and Skills Team. We also are directly involved and secretariat for the Walsall Employment and Skills Board which helps to steer the work of our partners organisations working in this area. We have established relationships with hundreds of employers in the borough and continue to grow our reach into over 8000 businesses in the borough. We have identified 750 small businesses that we aim to make contact and will use the established links with our Business Growth Team to make contact. We will work with our Adult and Childrens Commissioners, to identify health care providers in order to support with their recruitment needs.</p> <p>However, we may need support to improve our collaboration with internal Council services who have touchpoints with our most vulnerable residents ie Childrens and Adults Services. Our relationships with external organisations who support new migrants has strengthened recently and we are supporting clients who have recently moved to the UK to find and enter work. This has enabled us to assess the ESOL needs of those recently arrived or resettled in the borough.</p>
	<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>In terms of working achievements, Walsall Council is firmly committed to apprenticeships, and this is being endorsed through by the Council being the lead sponsor of this year's Ladder for the Black Country Apprenticeship Awards, an event being held in late November 2023. The commitment to apprenticeships is long standing and aligns to the pledge made when Walsall Works was launched to tackle youth unemployed by creating new apprenticeships through a subsidised grant. The Council also understands the challenge we have in growing the skills levels of the working age population in the borough, and in particular with some young people, and the apprenticeship model can help to improve skills as a mechanism to improve workforce development.</p> <p>Census data, now shows that Walsall still presents with nearly 17,000 (9%) adults having no qualifications and only 27% of adults holding a higher Level 4 qualification. The biggest skills deficit is still around digital skills with 56% of working adults not having the right skills fit for work. This coupled with sector shortages in construction, retail, health care, logistics and professional services, creates the ideal opportunity to actively promote the creation of apprenticeships for adults to employers to help people without the relevant professional skills to enter the workforce and develop the skills whilst working. However, it is often challenging to encourage older adults to apply for new apprenticeships and its more common for existing adults in the workplace to access apprenticeships.</p> <p>Walsall Council continues to lead by example through its internal apprenticeship programme, Endless Possibilities, and the authority won the prestigious 'Large Employer of the Year' award at the Juniper Training Apprenticeship Awards 2023. In addition, the Council funded award winning Walsall Works programme continues to promote apprenticeships as a valuable route to employment. Walsall Works is designed to support its residents to improve their employability and help them find work through apprenticeships, jobs and training. The programme centred its launch by creating apprenticeships in private sector businesses for young people so still aims to champion apprenticeships. It still continues to work closely with local and national employers to understand their labour market demands and to bring opportunities closer to local people</p>

			<p>through a free job matching service. The team actively source and host these vacancies on their website www.walsallworks.com, through weekly jobs bulletin and on social media platforms. We host regular monthly events to match local people to local jobs / apprenticeships and the Walsall Works Expo is the largest jobs fair in the Black Country bringing together exhibitors to meet with hundreds of local jobseekers who are available and seeking work.</p> <p>Walsall Works has extensive partnerships with employers, training providers and partner organisations such as DWP, Housing and Health Services. The support offered is bespoke to client needs and is delivered in a hybrid model, using virtual channels and face to face engagement through qualified employment advisors who based within partner organisations and community sector settings. The programme supports any residents who makes contact, but our main target groups are those who are at risk of becoming long term unemployed, young people, BAME communities, women, women fleeing domestic violence, care leavers, young offenders, teenage mums, those with special education needs, learning difficulties and disabilities, those in supported housing, people aged over 50, social housing tenants or those who have left work due to a health barrier.</p> <p>The programme pro-actively signposts services delivered by partner organisations and offers participants support with wrap around services ie bespoke training leading to vocational qualifications, specialist courses as well as support with housing, debt advice, counselling, work clothing, travel costs for work and childcare support. We proactively support our community sectors with improving their financial literacy and digital capability in order for them to offer non-accredited and accredited training ie personal budgeting, cost of living support, basic skills, digital skills, employability skills, vocational courses and pre-employment programme.</p> <p>Good quality employer engagement is vital in our delivery to bring forward local job vacancies, work placements, apprenticeships, volunteering and in-work support to improve sustainable employment. For individuals who are furthest from the labour market, we are able to bring forward paid work placements in the private sector and through social value drawn in from our major contractors. Our core aim is to provide pre-work and in-work support for individuals with barriers to employment which can include access to on the job counselling services and mental health support to help transition people into work.</p> <p>In the last quarter return we demonstrated our commitment to apprenticeships by presenting two examples of recent case studies of clients who secured apprenticeships this past year.</p>
		<p>2b. Reducing unemployment through collaborative working with employers and partners</p>	<p>Statutory government funded organisations are largely responsible for improvements required to achieve this marker of success ie DWP, JC+ Offices, FE Colleges and Training Providers. We continue to work closely with them to ensure that their resources and funding are directed appropriately to address the needs of our participants and will work with them to improve the quality of local offer ie provision for our unemployed and low skilled residents.</p>
<p>PEOPLE - Encourage our residents to lead</p>	<p>3. People can access support in their community to keep safe</p>	<p>3a. People are supported to build on their strengths and those in their communities to maintain and/or maximise their independence.</p>	<p>Continuous Improvement programme workstreams</p>

Cabinet Report - Corporate Plan: Markers of Success Q2

Appendix 3

Q2 Identified Interdependencies:

more active, fulfilling and independent lives to maintain or improve their health and wellbeing	and well and remain independent at home	3b. People feel safe in their home and community	CXC having robust processes and a capable workforce to ensure that people at risk of or experiencing abuse or neglect are referred to Access promptly. Staffing capacity to carry out safeguarding audits on the absence of a safeguarding practice lead. Capacity to support the development of the new concerns form and concerns portal
	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. 4b. People can access timely social care support and reablement to prevent a hospital admission or facilitate a timely discharge	Interdependency with Walsall Healthcare Trust (Frail Elderly Service, Care Navigation and Rapid Response) and Intermediate Care service
INTERNAL FOCUS - 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	
		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.	
CHILDREN 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	
		7b. Children and young people with additional needs or in specific circumstances are identified and supported to have their health and education needs met.	
	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.	
		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.	
COMMUNITIES - Empower our communities so that they feel they are connected and belong in Walsall, creating safe	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	Reliant on community groups mentioned across the report
		9b. Trust will be built within and between communities across the Borough	Reliant on community groups mentioned across the report

Cabinet Report - Corporate Plan: Markers of Success Q2

Appendix 3

Q2 Identified Interdependencies:

and healthy places whilst building a strong sense of community.	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	Awaiting Feedback
		10b. People feel safe in their local area and anti-social behaviour and crime – particularly environmental crime is reduced	Strong community alliances and working alongside a variety of organisations across Walsall

Cabinet – 7 February 2024

Walsall's Regeneration Pipeline: Strategic Partner Framework- Contract Award

Portfolio: Councillor Andrew – Deputy Leader & Regeneration

Related portfolios: N/A

Service: Regeneration & Economy

Wards: All

Key decision: Yes

Forward plan: Yes

1. Aim

- 1.1 The creation of a Strategic Partner Framework will help drive the delivery of the borough's ambitious regeneration and development pipeline. The Framework will provide additional expertise and resource to the council to facilitate and expedite the processes for implementation of regeneration programmes and the delivery of development schemes. These schemes will result in the leverage of public and private sector investment and the creation of much needed new jobs, homes and floorspace; therefore, significantly contributing to the council's priority for sustainable economic growth. This report seeks Cabinet approval to award contracts to create the Strategic Partner Framework to the successful providers (maximum of 3) following a competitive open tender exercise.

2. Summary

- 2.1 This report seeks Cabinet approval to enable the council to create a Strategic Partner Framework (the Framework) to complement the existing skills and resource in the Regeneration and Development service and expedite the delivery of the council's regeneration pipeline. Such services are currently provided through the Regeneration Strategic Advisor contract which will expire on 30 April 2024. The ability to call-off services through the newly procured Framework to develop the pipeline schemes will deliver employment floorspace, new homes and jobs, and improve the viability and vitality of Walsall Town Centre and its district centres. The delivery of the regeneration pipeline will have a positive impact on the borough's ambitions for economic growth as set out in Our Council Plan (2022 – 2025).

- 2.2 The report outlines the procurement process that is being followed to create the Framework, and the role the strategic partners will play in developing the council's pipeline of development schemes (**Appendix A**). **Appendix A**, whilst not being exhaustive, provides an indication of the ambitious schemes that are likely to require input through the Framework and in turn contribute to the council's aspirations for growth.
- 2.3 The procurement process has commenced and tenders will be returned in mid-February 2024 for evaluation assessment. This report proposes a delegation to award the contract(s) to appoint the successful strategic partners to the Framework at the earliest point post tender evaluation and after all necessary statutory timescales have passed. Delegated authority will enable the Framework to commence from 1 April 2024 and therefore provide adequate time for handover (where required) prior to the expiry of the existing Strategic Advisor contract.
- 2.4 Once awarded it is intended that the Framework will operate on a call-off arrangement, either through direct instructions or mini-competitions, enabling the council to manage the appointments and budgets with strategic partners. Partners will only provide their services once a task order is fully scoped (i.e. the document setting out the specification, fee, resource and programme) and agreed by the council. Strategic partners will work with officers to define specific tasks that are required to develop the council's pipeline.
- 2.5 This is a key decision because it exceeds the threshold for "significant" expenditure of £500,000 and the future delivery of services through the framework will have a significant impact on two or more wards across the borough.

3. Recommendations

- 3.1 That Cabinet delegate authority to award contract(s) to create Walsall's regeneration pipeline - Strategic Partner Framework, for a period of three years (April 2024 to March 2027), with an option to extend for an additional 12-month period, as set out in this Cabinet Report, to the Executive Director of Economy, Environment and Communities in consultation with the Portfolio for Regeneration.
- 3.2 That Cabinet delegate authority to the Executive Director of Economy, Environment and Communities to enter into contract(s) and to subsequently authorise the sealing or signing of any associated contracts, deeds or other related documents.
- 3.3 That Cabinet delegate authority to the Executive Director of Economy, Environment and Communities, 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 the Public Contracts Regulations 2015.

4. Report detail – know

Context

Walsall's Regeneration Pipeline

- 4.1 Walsall's pipeline is derived from longstanding regeneration and economic growth ambitions and vision, as set out in adopted planning policy (including Walsall Town Centre Area Action Plan (AAP) and Walsall Site Allocation Document (SAD)), as well as the Walsall Growth Corridor, Walsall Town Centre Masterplan (2019), Black Country Enterprise Zone - Darlaston and the Willenhall Framework Plan (2022). The economic growth and regeneration ambitions are also reaffirmed in the approved Walsall 2040 borough plan (June 2023) and Economic Strategy (December 2022). Delivery of the pipeline is being supported by funding and delivery initiatives driven through Government and the West Midlands Combined Authority (WMCA), including Future High Streets, Town Deal/Long-term Town Plan, Levelling Up Zone/Growth Zone and Levelling Up Partnerships.
- 4.2 Over the last 15 years the council has led and supported the delivery of projects and multi-million-pound investment to improve economic growth and opportunities for residents and businesses across the borough. This transformation has seen around £0.5billion in investment and delivered circa 1,700 new homes and 3,600 jobs, with a further £0.5billion currently being delivered and/or under construction. To bring forward the next tranche of regeneration and development sites on the pipeline (i.e. residential, employment, town centre uses) requires the continuation of this leading role and intervention by the council through a range of site-specific pre-development works. The pipeline opportunities have the potential to deliver an additional £0.5billion in investment and provide 1,000 new homes and 115,000sqm of employment floorspace, whilst regenerating and bringing derelict brownfield sites into economic use.
- 4.3 The Development Team within the Regeneration, Housing and Economy service has led and supported the delivery of the projects that have achieved the outcomes set out in paragraph 4.2 and will have responsibility to continue to deliver the future outcomes. To facilitate the development of the council's development pipeline, the Development Team had previously procured a Strategic Advisor (Arcadis) to provide external consultancy support to enhance the expertise and capacity of the team. This approach to sourcing consultancy services has proved beneficial over the period of the contract, particularly the officer resource and time efficiency savings it has provided in comparison to running several separate procurement processes.
- 4.4 The Strategic Advisor contract is due to expire on 30 April 2024. Any existing task orders approved with the current advisor prior to the expiry will continue in line with the approved task order. Following detailed discussions with Procurement colleagues and reflecting on the value of the Strategic Advisor role and approach, it is considered that it would be prudent and cost-effective to continue to procure the multi-disciplinary services required to deliver any new task orders relating to the regeneration pipeline. However, rather than procuring

a single provider, the procurement process should instead seek to establish a framework of multi-disciplinary strategic partners. The framework approach will not only provide additional capacity and skill sets that are required but also enable competition and division of works amongst the framework partners over the contract period. This will provide additional benefit to the council, especially when works (within scope) are required from wider service areas or where external funding is secured to aid or accelerate delivery in set deadlines.

Strategic Partners Framework- Services

4.5 Through the procurement the council is seeking framework partners to provide a range of services to take identified schemes (indicatively outlined in **Appendix A**) through the various feasibility and development stages leading up to the point of securing funding, appointment of a developer and/or detailed design and implementation. It is noted that the council has limited land ownership and therefore the work will require collaboration with private landowners and key stakeholders. The level and scope of pre-development work required for projects will vary and some may only require limited input. Services required will include:

- Feasibility and optioneering
- Commercial Property/ Real Estate services
- Delivery (Pre detailed design and construction stage)
- Statutory planning
- Other services (which subject to external funding may include support for the subsequent delivery and implementation stages of schemes (e.g. RIBA Stages 0-7)).

4.6 A detailed description of the services that will be delivered by the Strategic Partners Framework is provided in the scope of service enclosed as **Appendix B**. To deliver these services the council will procure a framework of multi-disciplinary partners (a maximum of 3 in total). The expectation is that each partner will have a named lead consultant and, where necessary, will commission/contract with specialist sub-consultants to deliver the full range of services and skills required.

Council Plan priorities

4.7 Our Council Plan (2022-25) focuses on five key areas of focus. One of the focus areas is 'Economic'- Enable greater local opportunities for all people, communities and businesses. In particular, the Framework will play a key role in the development and delivery of the regeneration pipeline and will therefore contribute to the following outcome and markers of success.

Outcomes	Markers of Success
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	1. Better connectivity, improved reliability and well-maintained transport networks creating an environment where businesses are supported to thrive and grow.
	2. Regenerating the Borough to support places where people are proud to live and work, delivering affordable homes and attracting inward investment.

Risk management

- 4.8 A competitive open tender process is being undertaken in accordance with the requirements of the Public Contracts Regulations 2015, to seek providers to appoint to the Strategic Partners Framework and deliver the services required. The following risks should be noted:

Lack of interest

- 4.9 There is a risk that there could be a lack of interest in the tender process which could result in no or very few submissions. Whilst this is a risk, it is considered that the likelihood of this arising is low given that this is an open tender opportunity.

Standstill period

- 4.10 During the standstill period of the procurement process, there is a risk that the council's decision to appoint could be challenged by one of the unsuccessful bidders. This risk is considered low given that the council is seeking to appoint a maximum of three partners to the Framework. Additionally, any such challenge will be mitigated by the thorough evaluation process that will be followed and moderated by the council's Procurement Team.

Appointed strategic partners

- 4.11 There is a risk that upon entering the contract or during the lifetime of the commission, an appointed partner(s) may fall into financial difficulties that could jeopardise the commission. As part of the procurement process, financial standing checks and other appropriate due diligence will be undertaken. Any financial payments will also be made by the council in arrears and upon the production of an invoice. Furthermore, the council will have the ability to call-off services from another Framework supplier if required to enable continuation of works.

Capacity

- 4.12 By procuring a Framework of strategic partners, risks relating to capacity and resourcing of individual partners will be better managed, as the call-off mechanism will enable works to be distributed between partners and schemes developed simultaneously. The ability of each strategic partner to provide the services requested will be monitored throughout the lifetime of the appointment and reviewed at the appropriate time within the contract period.

Quality

- 4.13 In order to ensure that the suppliers are acting in the best interests of the council and adhering to principles of time, cost and quality in all commissioning and delivery activity, it will be necessary to implement a strict performance management and review process for each supplier. Director/Executive Director and Cabinet Member will be updated regularly.

Timescales

- 4.14 The Framework will be appointed for a maximum of four years (including optional contract extensions). The time required to develop and deliver the council's development pipeline may exceed the duration for the Framework appointment. Should this be considered a possibility, the council will look to commence a further procurement exercise to ensure that the appropriate resource is in place following the four-year period, subject to the appropriate budgets being available at that time.

Budget

- 4.15 There is a low-level risk that there will be insufficient budgets available to instruct and complete all the desired work tasks to support the development of the regeneration pipeline. Work tasks will only be instructed where there is sufficient available budget, and any potential overspends will be reviewed and managed through the programme management mechanisms for each task/scheme. The council will continue to bid and apply for external funding to deliver pipeline schemes. Any future success in securing additional funding will enable works to be undertaken through the Framework in addition to those funded internally.

Financial implications

- 4.16 The regeneration pipeline consists of projects across the borough that are at various stages of the project/ development lifecycle. To ensure that the appointed strategic partners and works required by the council can be 'called-off' to provide the wide range of services, it has not been possible to specify a list of specific work tasks for the potential bidders to provide costs against. To ensure flexibility, the pricing schedule for the procurement asks bidders to provide fee rates.

- 4.17 To identify a potential total cost estimate for the strategic partners role, officers have considered the rates of the existing Strategic Advisor commission and the tasks required for the key priority projects. Based on this, the indicative cost of works to be sourced through the Framework is estimated at up to £500,000 per annum for the Regeneration, Housing & Economy service area. It is anticipated that funding will be sourced from the council's revenue budget. However, officers will work with the appointed strategic partners to capitalise as much of the costs as possible and charge these to any external funding secured to minimise the call on the council's resources. It is also noted that the indicative contract value may increase during the lifetime of the contract period subject to securing additional internal budgets and/or external funding (grant), plus the potential call-off from other service areas (and use of their budgets) for services within scope of the Framework. The corporate contract management team will regularly review the use of this contract across the council and will ensure that all spend is appropriately managed.

Legal implications

- 4.18 Procurement have worked with Legal Services to determine the form of contract suitable for the commission of the Framework through an open tender process. This ensures that the contract is fit-for-purpose and suitable for the services required and is compliant with all applicable legal requirements and any risk of legal challenge is minimised. The undertaking of the Procurement will also ensure compliance with the Council's Contract Rules and the best value obligations under the Local Government Act 1919.
- 4.19 The services to be provided by the Strategic Advisors exclude any legal advice. It is anticipated that legal advice that will be required to support the delivery of the pipeline schemes will either be provided in-house by Legal Services or by external organisations that will be procured separately, most likely via existing Find a Tender Service (FTS) compliant framework arrangements. The appointed strategic partners will be required to work with the council's legal advisor where such legal support is needed.

Procurement Implications/Social Value

- 4.20 Officers in the Development Team have worked closely with Procurement to agree the procurement strategy and framework approach to deliver the services required. This includes gateway reporting to the internal Third Party Spend Board (TPSB).
- 4.21 The procurement process is being conducted in accordance with the Public Contracts Regulations 2015, the Council's Contract Rules and Social Value Policy.

Property implications

- 4.22 There are no direct property implications for this report. However, should the services provided through the Framework result in the acquisition, development, or disposal of a council asset then there will be property

implications to consider. The scope of services provides for a range of property related services including valuation and agency services. From time to time these services may be called upon to support the council's wider Corporate Landlord responsibilities, which will be funded from separate budgets where the work is not directly associated with supporting the regeneration pipeline schemes. Where property implications arise on projects, these will be considered at the appropriate time and Cabinet approvals will be sought where required under the Council's Constitution.

Health and wellbeing implications

- 4.23 Whilst there are no direct health and wellbeing implications that will arise from the Framework appointment, the council's regeneration pipeline contributes to Our Council Plan (2022-2025), specifically the delivery of new development that will help support residents into employment, give them access to new high-quality homes of variable tenures, and provide greater amenity value through improved neighbourhoods. Health and wellbeing implications, in particular the Marmot objectives, will therefore be considered as part of the development and delivery of the pipeline.
- 4.24 Where pipeline schemes require planning permission, as part of the planning process, detailed consultation with all statutory and non-statutory consultees will be undertaken. Any health and wellbeing implications will therefore be further considered and form part of any resolution to grant permission.

Reducing Inequalities

- 4.25 The appointment of the Framework will not have a direct impact on any of the protected characteristics identified within the Equalities Act, and therefore an Equalities Impact Assessment is not required for this report. The strategic partners will have complied with all requirements included in the government standard supplier questionnaire regarding equalities.
- 4.26 The creation of employment floorspace, new jobs and homes will have a positive impact on all communities and therefore all equality related issues will be considered as part of the development of each of the pipeline schemes.

Staffing implications

- 4.27 There are no staffing implications arising out of this report. The appointment of the Framework will however have a positive impact on staffing as the strategic partners will become an integral part of the council's delivery resource by adding capacity as and when required.

Climate Impact

- 4.28 There are no direct climate impacts arising out of this report. Climate impacts relating to the development activities of the pipeline will be considered as part of the development and delivery of individual schemes.

Consultation

- 4.29 This Cabinet report has been prepared in consultation with Procurement, Finance and Legal Services. Procurement have been working closely with the Development Team to agree the procurement process and have subsequently led the process to appoint the Framework.
- 4.30 It is envisaged that the community and other stakeholders will be consulted on individual schemes as and when is appropriate; for example, through the statutory planning process if required.

5. Decide

- 5.1 There are three options to consider: do nothing; procure a (replacement) Strategic Advisor; or create a Strategic Partners Framework to provide a range of services required to develop and deliver the council's regeneration and development pipeline.
- 5.2 Do Nothing: Whilst this is an option, it would require the team to procure services as and when they are required. This would not be a viable option due to the time and resources that are required across teams to complete each individual procurement exercise. There is an option to utilise approved procurement frameworks (such as the ESPO Framework) – whilst this can be an efficient way to procure services, time and resources are still required to complete the required processes and the council now needs a more readily available expedient level of service.
- 5.3 Procurement of a Strategic Advisor: the council has previously appointed a Strategic Advisor with the contract due to expire at the end of April 2024. To date this option has provided the council with 'call-off' access to the range of feasibility and due diligence services which has helped expedite the development and delivery of the council's development pipeline. The option to re-procurement a Strategic Advisor has been considered. However, based on the experience of the existing commission, including the depth of works, fees and capacity required, the provision of greater competition, resource, and flexibility to draw upon other suitability skilled consultancies during the contract period would be beneficial to the simultaneous delivery of the regeneration pipeline and projects.
- 5.4 Creation of a Strategic Partners Framework: Informed by the disadvantages and lessons learned from the above two options, the procurement of a Strategic Partners Framework is the preferred option. This will provide maximise flexibility to access multi-disciplinary teams and direct 'call-off' services to scope of works required to deliver the regeneration pipeline. It will also provide the ability for the council to seek mini competition between suppliers on the framework for services if appropriate.

6. Respond

- 6.1 Subject to Cabinet approval of the recommendations, the Development Team will work with Procurement, Legal and Finance to:
- a. Progress the contract awards
 - b. Ensure sufficient budgets are available to deliver the works required
 - c. Effectively manage this contract during its lifetime

7. Review

- 7.1 Once appointed, the Strategic Partner Framework will be monitored at regular intervals to ensure that the services that are being provided are fit for purpose and the council is receiving value for money. After the initial three years of appointment, there will be an opportunity for the council to review the commission and consider whether it wishes to continue with the services procured or to exit from the contract(s).

Appendices

Appendix A – Walsall’s Regeneration Pipeline

Appendix B – Tender Specification

Background papers

Not applicable

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Dave Brown
Executive Director

25 January 2024



Councillor Andrew
Portfolio holder

25 January 2024

APPENDIX A

Theme/potential uses	Priority Projects (in no specific order)	Current Status
Town Centre (office led)	Waterfront Lex	Pipeline Opportunity
Town Centre (mixed use)	Challenge Block - Phase 2	Pipeline Opportunity
Town Centre (Housing)	Saddlers Quay	Pipeline Opportunity
Town Centre (Housing)	Waterfront OS	Pipeline Opportunity
Town Centre (mixed use)	Jabez Cliff	Pipeline Opportunity
Town Centre (mixed use)	Old Square Future Phases	Concept
Town Centre (housing led)	Station Street	Pipeline Opportunity
Town Centre (mixed use)	Day Street	Concept
Town Centre (masterplan)	Enhance the market	Pipeline Opportunity
Housing & W2W Growth Corridor	Walsall Gateway	Pipeline Opportunity
Housing & W2W Growth Corridor	Reedwood	Pipeline Opportunity
Housing & W2W Growth Corridor	Willenhall Framework Plan Future Phases	Pipeline Opportunity
Industrial - employment opportunity	Middlemore Lane	Pipeline Opportunity
Industrial - employment opportunity	Anson Road	Pipeline Opportunity
Industrial - employment opportunity	Iron Park	Planning Approved
Industrial - employment opportunity	Tempus 10 - Opal Phase 2	Planning Approved
Industrial - employment opportunity	Tempus 10 - Onyx	Under Assessment
Industrial - employment opportunity	Gasholders	Pipeline Opportunity
Industrial - employment opportunity	Bentley Lane	Pipeline Opportunity
Industrial - employment opportunity	Hills Scrapyard	Pipeline Opportunity

APPENDIX B

PROCUREMENT OF A STRATEGIC PARTNERS FRAMEWORK: REGENERATION AND TECHNICAL CONSULTANCY SERVICES

SPECIFICATION

1. Walsall Regeneration Context

Walsall is situated in the West Midlands; it has excellent connectivity to the rest of the country, lying close to the heart of national road and rail networks. The Borough combines urban, suburban and rural communities. Walsall's population is over 250,000 and increasing.

Pursuing inclusive economic growth is a key priority for the Council. Walsall has an established reputation of working with investors, developers, landowners, and stakeholders to support regeneration and economic development. The Council is committed to continuing work with existing and new partners, who share our vision to grow a thriving and vibrant Walsall, to build on past successes and bring exciting new propositions to life.

The Council is working with its partners to deliver The Walsall Plan: We are Walsall 2040 as well as its own Our Council Plan 2022-25. The Walsall Economic Strategy (2022) also provides an evidence-base of the current local economy position and, from working with team across the Council and external partners, sets out interventions to drive improvement in the economic performance of the borough.

2. Objectives and Deliverables

Set out below are the main objectives of the commission. Please note that this is not meant to be exhaustive.

- Provide the Council with the necessary support and expertise to enable the development and delivery of the pipeline of regeneration schemes that aim to achieve the outcomes set out below.
- Work collaboratively alongside the Council's Development Team and, where required, the Regeneration and Development Service and wider directorate to be an integral part of the Council's delivery resource by adding capacity and transferring skills and knowledge.
- Proactively work with the Council's public and other private sector partners, including the West Midlands Combined Authority and where appropriate private landowners, to bring forward funding business cases and sites for delivery.
- Provide bespoke solutions and technical expertise to complex delivery issues that are capable of securing public and private sector investment.

3. Outcomes

Delivery of the commission scope will support and enable economic regeneration and development in Walsall to ultimately deliver:

- Inward investment
- New high-quality homes and neighbourhoods of appropriate tenure and type

- Additional employment floorspace for business relocation, expansion, and start-ups
- Skilled job and training opportunities
- Increased visitor numbers
- Improved viability and vitality of Walsall Town Centre and its District Centres

4. Framework Partners – Skills, Call-off and Task Pricing

The Council is seeking to establish a framework containing a maximum of three (3) multi-disciplinary teams to provide services across a range of regeneration, planning, property, and technical areas. Each multi-disciplinary team / framework partner will be required to provide the following skills and expertise:

- Project and programme management
- Property and commercial, including valuations, appraisals, acquisitions/ CPO, market intelligence, and economic guidance
- Delivery models and approaches
- Development options, feasibility, and pre-development
- Development funding and financing
- Cost consultants
- Business case development including benefit cost ratios and cash flows
- Concept plans, capacity layouts and masterplanning
- Planning and planning policy guidance
- Inward investment, marketing and branding
- Architectural
- Consulting engineer(s) – e.g. remediation, flood risk, transport & highways, utilities, civils, drainage
- Environmental consultants- e.g. noise, air quality, ecology, heritage conservation, arboriculture.

It is expected that each framework partner will be managed by an identified Lead Consultant. However, the use of specialist sub-consultants may be required to assist with the delivery of the commission to provide the full spectrum of skills and services (unless the services can be provided in-house by the Lead Consultant). The Lead Consultant should therefore have the ability to bring in and contract with sub-consultants required for the commission. To assist the tender process and ensure the full provision of services can be met, preferred sub-consultants or partners should be stated in the tender response and CVs provided. The Council acknowledges that the Lead Consultant may need flexibility to procure specialist advice as required on a task-by-task basis; any changes in the sub-consultants (other than those included in the tender response) would need to be formerly agreed with the Council.

Please note that the successful framework partners will also be required to gain Council agreement to the replacement of any of the nominated key staff detailed within their tender response.

Once the scope of an individual task has been determined by the Council this will be issued to a framework partner(s) to enable them to develop a detailed project proposal and resource/ price schedule based on the schedule of rates provided in this tender. This will then be scrutinised by the Client team for suitability of the proposal, accuracy against the scope and the full cost breakdown. In addition, the Client team will where appropriate challenge the proposal and/or price to ensure that maximum value for money is being achieved prior to an order being placed for the work.

The Council will in the main and at its discretion award a direct call off for each particular project/work task to the supplier that it considers the most suitable for that specific assignment, however where the Council considers it appropriate it will run a mini-competition between suppliers on the Framework in order to achieve the best outcome.

This commission is for a range of services on multiple sites. The sites that require support will be at similar or different stages of delivery. Whilst the use and call-off from the framework will enable works to be distributed across partners, framework partners are required to have sufficient capacity to provide the services described for multiple sites simultaneously.

5. Scope

i. Strategic Development Pipeline

Walsall's development pipeline is derived from longstanding regeneration and economic growth ambitions and vision, as set out in planning policy (including Walsall Town Centre Area Action Plan (AAP) and Walsall Site Allocation Document (SAD)), as well as the Walsall Growth Corridor, Walsall Town Centre Masterplan (2019), Black Country Enterprise Zone- Darlaston, and the Willenhall Framework Plan (2022). The economic growth and regeneration ambitions are also reaffirmed in the recently approved Walsall 2040 borough plan (June 2023). Delivery of the pipeline is being supported by funding and delivery initiatives including Future High Streets, Town Deal, Levelling Up Zone/ Growth Zone through Government and the West Midlands Combined Authority (WMCA).

The Council has led and supported the delivery of projects and multi-million-pound investment to improve economic growth and opportunities for residents and businesses across the borough. To bring forward the next tranche of development sites on the pipeline (i.e. residential, employment, town centre uses) requires the continuation of a leading role and intervention by the Council through a range of site specific pre-development works.

Through this commission the Council are seeking framework partners to provide a range of services to take schemes through the various feasibility and development stages leading up to the point of securing funding, appointment of a developer and/or detailed design and implementation. It is noted that the Council has limited land ownership and therefore the work will require collaboration with private landowners and key stakeholders. The level and spectrum of pre-development work required for projects will vary and some may only require limited input. Services required include:

- A. Feasibility and Optioneering
- B. Commercial Property/ Real Estate Services
- C. Delivery (Pre detailed design and construction stage)
- D. Statutory Planning
- E. Other Services

The detailed scope of these is set out as follows.

A. FEASIBILITY AND OPTIONEERING

Projects in the pipeline will likely require feasibility and options appraisal work to appraise the opportunity for development. Such schemes will require the following support:

- i. Capacity Layouts and Masterplanning – detailed site capacity work that promotes good design and sustainability. The red line for a capacity plan/ masterplan may be site specific but there will be instances where such work will be required for a broader area that will require a wider set of considerations and stakeholders. The Council is working

in partnership with the West Midlands Combined Authority (WMCA) and will promote the WMCA's Design Charter. Masterplanning in some instances may be required to inform a potential Compulsory Purchase Order (CPO) process; in such circumstances the Consultant may be required to provide additional services that are required to support a potential CPO case, including those as detailed in section D.

- ii. Technical Surveys and Assessments – initial technical advice and guidance to aid option development where the Council considers this input to be appropriate at the feasibility stage (e.g. to manage risks and understand key site constraints and mitigation to inform masterplanning and development cost assumptions). It may be that certain items listed under the section D are required as part of the feasibility and optioneering stage of a project's development.
- iii. Feasibility and Appraisals - Initial scoping and scenario testing to develop and assess the development options and development assumptions for each site. Please note that Walsall Council Officers will provide existing due diligence information where it is available to inform the feasibility stage. The Consultant will be required to produce initial high level development appraisals and sensitivity testing to assess project viability and inform the options and feasibility stage. Such development appraisals, where appropriate, will be tested further as detailed in section B.

Please note that this is not an exhaustive list and there may be additional duties that are also required of the Consultant.

B. COMMERCIAL PROPERTY / REAL ESTATE SERVICES

Projects on the pipeline considered to be suitable for development may require the following services:

- i. Market and Economic Analysis – Review and guidance on the demand and need for the proposed development, to include but not restricted to, market/economic analysis and demand and soft market testing to provide market intelligence to the Council and inform the feasibility works set out in section A.
- ii. Valuations - Land and property valuations, including red book compliant valuations and Property Cost Estimates (PCE) to support CPO activity (where required).
- iii. Development Appraisals - Detailed development appraisals to provide the Council with an understanding of site viability, including specific appraisals as required (e.g. 'clean and green', traditional delivery or other delivery routes such as direct delivery or development manager options). Appropriate sensitivity testing may also be required (e.g. rents, yields, construction costs) based on market intelligence.
- iv. Acquisition and Disposal - The Council may require lead support to act as its agent on land and property negotiations, acquisitions, and disposals, including the use of CPO. Initial contact with landowners may be made by Council Officers, with the Consultant being required to undertake detailed negotiations to understand landowner aspirations that may lead to agreement by private treaty or CPO. The Consultant may be required to lead or support the Council in any disposal or acquisition.
- v. Strategic investment and market advice – Advice and recommendations on the best way forward for the Council on strategic development opportunities. This will include but is not limited to financial modelling to inform recommendations, as well as guidance to inform contract negotiations with developers, partners and land owners.

- vi. Marketing and Promotion - Promoting surplus land and property to include development sites and buildings to encourage end users. This may also include soft market testing to inform procurement routes for developer partnering arrangements.

Where possible conflicts arise between the Lead Consultant and those providing agency advice it will be for the Consultant to resolve this on behalf of the client and if necessary seek alternative agency advice to that which is being provided to a third party land/ property owner.

C. PROJECT DEVELOPMENT

Projects that have successfully completed the due diligence required to progress to the subsequent pre-development stage will require the following support and services:

- i. Delivery Models - Advice and guidance on appropriate delivery vehicles and delivery partnerships for the Council to consider structures to aid the delivery of the pipeline including but not limited to self-development/direct delivery, Joint Venture, partnerships (e.g. other Local Authorities and developer partners). This will need to include consideration of appropriate and if necessary bespoke delivery vehicles for individual projects or a cluster of schemes, highlighting benefits and risks associated.
- ii. Subsidy Control - To advise the Council on potential subsidy control implications, working with the Council's legal advisor(s) to ensure that the Council is compliant in its delivery role, whether that is direct delivery or as a partner or funding provider.
- iii. Funding - To provide advice on funding opportunities available to assist in the delivery of schemes, identifying the most appropriate funding streams, both public and private, that would be appropriate to aid delivery (including for example pension funds and institutional finance). This may require financial modelling, including scenario testing and sensitivity analysis.
- iv. Construction & Project Costs - Provide robust estimates of site-specific construction costs to inform development appraisals, including appropriate contingencies for risk and inflation. Provide robust cost assumptions for scheme delivery (including capital and revenue costs) from initial feasibility through to development and highlighting all associated risks and issues together with proposed mitigation. The latter to be used to populate funding business cases, both for internal and external funding.
- v. Funding Bids - Preparation of funding applications bids and business cases (in line with the defined 5 case model as necessary) in accordance with funding body requirements. This may be to either lead or assist in the preparation of all such bids (subject to resourcing and timescales). This will include all supporting information that may be required to assist in the submission of a financial bid to the relevant funding bodies (e.g. cashflows, benefit cost ratio assessments). It is anticipated that a number of the schemes will request funding through the WMCA's Single Commissioning Framework and/or any funding initiatives/bidding process made available by Government.
- vi. Procurement - Where necessary lead the preparation of a procurement strategy to aid the delivery of schemes, and to take a proactive role in the procurement of a delivery partner; this may involve a full OJEU compliant process, use of an existing framework or non-OJEU compliant routes. This may include taking a lead or proactive role in preparing tender documentation, assessing tender submissions and costing variations. In addition there may also be a requirement to assist, if necessary, with the due

diligence checks on partners and investors, working in partnership with the Council's Finance Team.

D. STATUTORY PLANNING

The Council may require the preparation and submission of planning applications to support and enable delivery. This will include:

- i. Preparation of outline and full planning applications depending on the delivery option for sites.
- ii. Working closely with identified Council officers, assist or lead stakeholder and public engagement where necessary in the preparation of a planning application.
- iii. Provision of all design services and surveys to support site proposals and planning applications. The range of works will include but is not limited to;
 - o Architectural and urban design services including design and access statement
 - o Planning Statement
 - o Built Conservation
 - o Ecology and tree
 - o Flood Risk
 - o Desk top and interpretative site investigations
 - o Remediation strategies
 - o Utilities surveys
 - o Topographical surveys
 - o Civils /site levels
 - o Transportation matters such as transport statements, assessments, design, and modelling
 - o Air quality assessment
 - o Noise assessment
 - o Stakeholder engagement

It is anticipated that the Consultant will be able to provide all services in-house or will sub-contract to ensure that it can provide the full range of services that are required, noting that warranties will be required for the services provided and to ensure that the Council and its partners can rely on the information provided.

- iv. Provide commercial and planning advice in relation to planning obligations for S111 / S106 agreements, particularly joint projects involving the Council.

E. OTHER SERVICES

- i. Support to maintain and evolve relationships with public and private stakeholders and partners, including landowners, developers, funders and statutory providers, and acting as the Council's advisor as and when necessary.
- ii. As and when necessary, provide project management support to include project performance and risk analysis, reviewing and inputting into Council project reports. This will be based on the Council's existing management systems, including Verto and Power BI.

- iii. Provide continued opportunities for training and development and transferring of skills and knowledge to the Council's Development Team as part of the commission and social value provisions.
- iv. Act as the Council's Project Manager for schemes where required to ensure successful development and delivery. This would involve overseeing the project to ensure it is being delivered in the line with the defined programme. Note that in some cases Council Officers may take the lead role as Project Manager, in such circumstances the Consultant will provide a supporting role as necessary.
- v. The Council may also require specialist project management services to progress specific tasks. For example, the Council may require the Consultant to ensure grant funded works are being undertaken to a defined specification to enable appropriate sign off and payment.
- vi. Support officers in project briefings/ workshops with senior/corporate management and Members, and other identified stakeholders, including leading and presenting where required.
- vii. The majority of services and works required through the framework will be comprised of the pre-development, due diligence and feasibility stages of project and scheme development (outlined in sections A-D above). However, subject to securing funding sources (internal or external), works may also be required during the contract period to lead and/or support the subsequent delivery and implementation stages of schemes (e.g. RIBA Stages 0-7).
- viii. It is anticipated that during the term of the contract additional works may be identified and therefore the Council reserves to right to add additional services above and beyond those already identified as and when required within the general scope of services and disciplines outlined in the sections above.

ii. Service Area Wide Workstreams

In addition to the services set out above, from time to time there may be specific works (e.g. strategy and plan development, investment propositions, and responses to new delivery / funding initiatives) where the Council require services and support in line with the disciplines noted in section 4. This may include, for example, support with the evidence documents and preparation of the Walsall Borough Local Plan which will be developed during the contract period and will replace many of the current planning policy documents.

Cabinet – 7 February 2024

Investment and Leasing Proposals for Council Owned Community Buildings

Portfolio: Councillor Andrew – Deputy Leader & Regeneration

Related portfolios: Councillor Perry – Deputy Leader & Resilient Communities

Service: Corporate Landlord

Wards: All

Key decision: Yes

Forward plan: Yes

1. Aim

- 1.1 To support the continued delivery of services by the voluntary and community sector, enabled and supported through the signing of lease agreements and the underwriting of capital investment gaps for those occupying council owned properties.

2. Summary

- 2.1 This report sets out the progress being made through the Corporate Landlord and Resilient Communities teams, working together with voluntary and community sector organisations. This includes regularising the ongoing occupation of council owned buildings by agreeing terms and implementing formal leases.
- 2.2 This will be complimented by the design and implementation of circular funding arrangements whereby the council will receive lease payments from occupants and utilise these payments to create and administer a grant funding programme to enable these organisations to pay for the rent. This, where agreed, enables revenue payments to be made to occupants who have a formal lease in place with the council, to support the delivery of tailored advice, guidance and services for their local communities.
- 2.3 The council has for some years also successfully delivered initiatives that secure and offer capital grants to locally based community groups, to improve or expand the facilities and provision available to support local communities. This often includes a mix of council and non-council support, secured through bids submitted and subsequently approved. The mix and selection of the most appropriate external funder is dependent upon the services and the outcomes

proposed, with local community groups supported in their bidding processes by the council's External Funding Team. One such external fund is the Community Capital grants programme, which is part of both Walsall and Bloxwich's Town Deal.

- 2.4 The Community Capital programme includes bids from community-based groups that occupy council owned properties, where any resultant agreed capital investments will directly benefit / improve council properties. It is therefore proposed that where a successful Community Capital project has a funding gap and is for improvements to properties owned by Walsall Council, the council will underwrite the funding gap to allow the construction work proposals to continue, whilst additional external funding is secured. If the external funding bids are unsuccessful the council would fund this gap but consider it as an investment into its properties and the communities it serves. Successful projects will be those that have followed the governance process that is set out in the Community Capital programme business case signed off by the council's Section 151 officer and has successfully completed the required due diligence process.

3. Recommendations

- 3.1 That Cabinet approves the principles for the provision of circular grant funding to community organisations linked to the grant of formal leases of council-owned properties.
- 3.2 That Cabinet delegates authority for the approval of circular funding grants with a value of over £500,000 to the Executive Director of Economy, Environment and Communities in consultation with the Deputy Leader and Portfolio Holder for Regeneration where the criteria set out in this report are met.
- 3.3 That Cabinet approves the underwriting of identified funding gaps associated with successful Community Capital supported projects for council owned and leased buildings, to enable the works to proceed, and delegates authority for the approval of individual project underwriting to the Executive Director of Economy, Environment and Communities in consultation with the Deputy Leader and Portfolio Holder for Regeneration, where the criteria set out in paragraph 4.33 of this report are met.
- 3.4 That Cabinet notes that the approval of circular funding and capital gap funding grants with a value of under £500,000 will be in accordance with existing officer delegations contained within the council's constitution.

4. Report detail – know

Context

- 4.1 Walsall in 2040 will be the most improved borough in the region, a vibrant place where people are proud to live and residents in all neighbourhoods have the same life chances.
- 4.2 As part of our planning towards 2040 the council is working with partners within the voluntary and community sector to help to deliver improvements for the residents of the borough through strengthened community cohesion and the delivery of essential services through the VCS.
- 4.3 Voluntary and community organisations occupy over 50 council-owned properties from which they deliver much-needed services to their communities. Whilst some community organisations occupy their buildings under formal lease agreements there are a significant number which have historic but informal arrangements, often arising following the closure of operational council buildings.
- 4.4 The informal nature of these arrangements presents a number of challenges both to the council as property owner and the occupying organisation, including uncertainty relating to:
- responsibility for statutory compliance testing and remedial works
 - responsibility for repair and maintenance
 - responsibility for payment of property occupational costs
 - security of tenure for the occupier
 - access to external funding opportunities
- 4.5 These areas of uncertainty increase the risk that essential works are either not undertaken or duplicated.
- 4.6 Furthermore, many community organisations rely on external grant funding to support their activities. Whilst the criteria for qualification for grant funding varies, many funders require applicants to either own their premises, or have a formal lease, and have requirements for the minimum unexpired term of the lease. Where organisations occupy council buildings without formal leases, their ability to attract and secure external grant funding can be lost.
- 4.7 The Walsall Council Strategic Asset Plan 2022-27 confirms the council's commitment:
- to use our assets to form long-term partnerships with suitable community organisations to create stronger, more cohesive and more sustainable communities; and
 - to formalise agreements with community organisations which occupy council buildings on an informal basis, for the benefit of both the council and the occupying community organisation.
- 4.8 Corporate Landlord and Resilient Communities have been working with voluntary and community sector organisations to regularise the ongoing occupation of these buildings by agreeing terms for formal leases. The aim of this exercise is to remove the uncertainty and potential risks outlined above and to open up opportunities for organisations to use the certainty of a formal lease

to secure revenue and capital funding to support their essential work in the community.

- 4.9 The terms of the leases will vary dependent upon individual circumstances, including the age and size of the property, potential levels of repairing liabilities and specific funders' requirements. Generally speaking, the longest lease term required by a funder for capital funding is 25 years, however, not all organisations wish to seek capital funding, and requirements for revenue funding tend to allow for shorter lease terms. It is important to note that it is not the intention to increase the financial burden on the organisation, whilst noting that any repairing obligations that the council takes on represents a long-term commitment to retain ownership of the property and to fulfil those obligations for the full term of the lease.
- 4.10 The aim to grant long term leases to community organisations has implications for the council in terms of Best Consideration. Section 123(2) of the Local Government Act 1972 states that "Except with the consent of the Secretary of State, a council shall not dispose of land under this section... for a consideration less than the best that can be reasonably be obtained". The requirement to achieve best consideration applies to all disposals other than by a short tenancy of less than 7 years.
- 4.11 Whilst there is no set process to follow, this duty to achieve best consideration normally leads to land/property being marketed and disposed by the council via private tender or auction, as these disposal routes enable the council to demonstrate that the receipt achieved is best consideration through exposure of the land to the open market. Local Authorities are not however obliged to advertise land for disposal and it is possible to deal with one named purchaser; provided that it follows a robust process and has clear evidence that the consideration for which the land is disposed is the best that can reasonably be obtained.
- 4.12 The Disposals, Acquisitions and Investment Policy, contained within the Walsall Council Strategic Asset Plan 2022-27 defines circumstances where a sale (disposal) to a named party can be considered and where it is appropriate to consider excluding the market from a disposal process. Where circumstances allow the council to consider a disposal to a named party, the disposal must be conducted on terms that reflect best consideration.
- 4.13 The grant of a lease for a term exceeding 7 years to a community organisation which is already in occupation of a building would constitute a disposal to a named party and, as such must be undertaken at a market rent.
- 4.14 In order to achieve the aim of supporting community organisations through the use of the council's property portfolio and not imposing the financial burden of the payment of a market rent on the organisations it is proposed that in specific circumstances, a grant will be provided to the community organisation to enable it to recover the rent payable under the lease.

- 4.15 The grant agreement will run for the term of the lease and the payment of the grant will only be triggered when the quarterly rent due under the term of the lease is received by the council. This avoids a situation of grant funding being provided where the associated rent payments have not been made. The grant agreement will mirror any rent review provisions contained in the lease to ensure that the amount of the grant does fully reimburse the rent payable.
- 4.16 The grant agreement will include a requirement for the recipient of the grant to submit an annual return to identify progress and achievements against identified outcomes in terms of service delivery within the community. The grant agreement will contain a process to seek remedies from the recipient in cases of a failure to deliver against the pre-agreed and tailored outcomes.
- 4.17 Under the constitution, the value of a grant is calculated as being the total of the payments to be made to the organisation over the term of the grant agreement. The majority of cases are expected to have a total value under the £500,000 threshold for Cabinet approval. In these cases, approvals will be sought through the existing scheme of officer delegations. There will, however, be some cases where the total value of the grant will exceed £500,000 which will require Cabinet approval. Accordingly, this report is seeking a delegation for the approval of grants with a value of over £500,000 to the Executive Director for Resources and Transformation in consultation with the Portfolio Holder for Regeneration where the qualifying criteria set out in this report are met.
- 4.18 The actual cost of the circular funding approach will be limited to the cost of processing the grant payments to the recipients, as the rental funds received from the tenant will be used to fund the grant payment back to the tenant.

Qualifying criteria

- 4.19 The council will have discretion to offer circular funding, however, it will only apply in the grant of leases to registered charities, community interest companies, community interest organisations and constituted groups which have been properly incorporated for at least three years and where:
- Leases of council-owned properties are negotiated with a qualifying named party in order to regularise the existing informal occupation of a building, or
 - The council is negotiating a lease of a building with a qualifying organisation for the delivery of specific services in the community.
- 4.20 Circular funding will not apply in the following cases:
- Open market disposals of properties.
 - Where a formal lease exists.

Subsidy Control

- 4.21 The treatment of financial assistance by public authorities is defined in the Subsidy Control Act 2022 (the Act). Financial assistance will be considered to

be a subsidy where it satisfies all four of the following limbs of the test contained in the Act:

Limb A:

- 4.22 The financial assistance is given, directly or indirectly, from public resources by a public authority. Public authorities include any entity which exercises functions of a public nature. Public resources include public funds that are administered by the UK Government, the devolved governments, or local authorities, whether they are given directly, through other public bodies (e.g., agencies), or through private bodies.

Limb B:

- 4.23 The financial assistance confers an economic advantage on one or more enterprises. This limb has two components. Firstly, the recipient of the assistance must be an enterprise: any entity (that is, any person, or groups of persons under common control) that is engaged in an economic activity, which means offering goods and services on a market. If the recipient is engaged in both economic and non-economic activity, it should be considered an enterprise only in relation to its economic activity.

Limb C:

- 4.24 The financial assistance is specific, such that it benefits one or more enterprises over one or more enterprises with respect to the production of goods or provision of services. This definition covers financial assistance that is provided directly or indirectly to specific beneficiaries determined on a discretionary basis by the public authority, as well as assistance that benefits (directly or indirectly) only enterprises in a particular sector, industry, or area, or with certain characteristics.

Limb D:

- 4.25 The financial assistance has, or is capable of having, an effect on competition or investment within the UK, or on trade or investment between the UK and another country or territory, or both. Financial assistance envisaged by public authorities must be capable of producing a relevant effect, such that it is capable of having a genuine, adverse effect that is more than incidental or hypothetical on competition or investment in the UK, or international trade or investment, in order to constitute a subsidy.
- 4.26 Based on the test set out above, the financial assistance proposed in the form of circular funding to community organisations does not constitute a subsidy as the assistance does not satisfy limbs B and D. However, this will need to be assessed on a case-by-case basis and in cases where subsidy aid could apply, further due diligence will be undertaken before the approval of a grant agreement.

Community Capital programme and funding gap underwriting

- 4.27 The council delivers services (External Funding Team) and initiatives (Crowd Funding) that continues to attract external revenue and capital funding into the

borough. This directly supports local community and voluntary sector organisations in the delivery of services that benefit local people. The council has secured Government capital funding through the Towns Fund programme (£42.6million) to deliver a range of projects within both Walsall and Bloxwich eligible areas.

- 4.28 One of these projects is the council's Community Capital Programme, which has an award of £2.498m for Bloxwich and £741k for Walsall available to provide grants to applicants. The programme aims to support local eligible community and voluntary sector organisations to deliver additional support, guidance and training services for local people, so they are able to become more economically active. The capital funding available can support improvements / extensions to premises, including new facilities, training rooms, access arrangements, etc. Access to these funds is through a range of open calls, allowing bids to be considered, assessed and approved by the Town Deal Board and the council.
- 4.29 We have received and expect to continue to receive applications from groups who occupy council owned properties, administered through the Corporate Landlord Service. If successful this triggers capital investment and improvements to these buildings, enhancing the levels of services provided and completing improvements to council owned buildings.
- 4.30 One of the conditions that applicants must fulfil prior to the release of grant funding is signing a lease or an intention to enter into a lease agreement with Walsall Council. As mentioned previously, this is also an expectation / requirement of many external funding bodies, to protect the integrity of and the future delivery of local services that they have or will continue to support.
- 4.31 Once applications are approved, the External Funding Team works with applicants to seek out and apply for additional external funding, complementing the Community Capital grants awarded, so that:
- (a) those projects that still have a funding gap after accounting for the Town Deal grant can identify and bid for external funds to ensure that the project is fully funded; or
 - (b) for fully funded bids, further external funding can be sought to reduce the call on Town Deal grant so that it can spread further and support even more communities and projects.
- 4.32 For those projects under (a) above where there is an identified funding gap, this can result in delaying the start of the project / improvement works as the council will not be able to offer a grant until the full funding package is secured. Delays could also place the Town Deal Funding at risk, as current guidance requires this to be fully spent before the 31.03.2026.
- 4.33 It is proposed that for successful Community Capital projects that have a funding gap and are for improvements to properties owned by Walsall Council, the council underwrites the funding gaps to allow the construction works proposals to continue, whilst additional external funding is secured. Successful projects will be those that have followed the governance process that is set out

in the Community Capital programme business case signed off by the council's Section 151 officer and has successfully completed the required due diligence process. If the external funding bids are unsuccessful the council would fund the gap and consider it as an investment into its properties and the communities they serve. If the underwriting is called upon and issued as a grant (or a capital budget if the council decided to complete the works directly rather than award a grant to an applicant), all necessary due diligence (including ensuring that the grant was subsidy aid compliant) would be completed by the council's Accountable Body team in line with the existing Town Deal process.

Council Plan priorities

4.34 As set out in Our Council Plan 2022-2025, the council's vision is to ensure that 'Inequalities are reduced and all potential is maximised. Together we are committed to developing a healthier, cleaner and safer Walsall and creating an environment that provides opportunities for all residents, communities and businesses to fulfil their potential and thrive.' This will be achieved by focusing on five key priorities. The ability to grant long term leases to community organisations without impacting on their cost base will support the sector and enable organisations to seek external funding to support their activities. Accordingly, the proposed circular funding principles will contribute towards the delivery of the following council areas of focus and outcomes:

- Focus: Enable greater local opportunities for all people, communities and businesses.
- Outcome: Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place
- Focus: Encourage our residents to lead active, fulfilling and independent lives to maintain or improve their health and wellbeing.
- Outcome: People can access support in their community to keep safe and well and remain independent at home

Risk management

4.35 Circular Funding: There is a risk that the tenant will not pay the rent due under the terms of the lease. In this event, the grant would not be payable, as the community organisation can only claim the grant payment when the rent has been paid to the council.

4.36 Funding gap underwriting: There is a risk that without the council underwriting the Community Capital programme, in terms of any agreed funding gaps, the council risks significant slippage of the Town deal funded element of this programme beyond its funding end date of March 2026. This could mean loss of external grant and miss the chance to utilise the available Towns Fund monies to improve its assets and enhance the services provided locally.

4.37 There is also a risk that external funding will not be identified to cover the funding gap of council owned Community Capital projects, in which case the gap will need to be funded by the council.

Financial implications

Circular Funding

- 4.38 The circular funding approach enables qualifying community organisations to recover the cost of the rent payable under the terms of the lease. The rent will be payable by the community organisation and then the grant, to the equal value of the rent paid will be claimed and paid to the community organisation. This means that the net rent receivable for each building under this arrangement would be nil, however, this is currently the case where no formal lease agreement exists and so there are no net implications for the council's Medium Term Financial Plan.
- 4.39 There will be a small internal cost to the council for processing the grant payments to the community organisations, however, it is expected that this process can be automated to minimise this cost and to shorten the time between the payment of the rent and the payment of the grant. These can be managed utilising existing resources.

Funding gap underwriting

- 4.40 There is a risk that for those Community Capital projects submitted that still identify a funding gap, if external funding cannot be secured the council will be unable to issue grant offers to Community Organisation applicants as there would be no certainty that full scheme costs could be met. To avoid delays and risk loss of Town Deal Funding, it is proposed that the council will underwrite funding gaps to pay for improvements to its own properties.
- 4.41 If delegations are utilised then subsequently external funding cannot be identified to cover the funding gap of council owned Community Capital projects, the funding gap will be funded from the council's existing resources. It is proposed that the Development Pipeline budget be utilised to fund such grants and use of this will be reported through the periodic corporate financial reporting to Cabinet. To call from the Development Pipeline budget, Community Capital applications will need to be presented to the council's Strategic Investment Board for approval.
- 4.42 This funding will convert into an investment in its portfolio of community facilities and will generate outcomes that benefit its residents, demonstrating value for money, set out through the application and assessment process administered by the council's Programme Management Service area.

Legal implications

- 4.43 Section 123(2) of the Local Government Act 1972 states that "Except with the consent of the Secretary of State, a council shall not dispose of land under this section... for a consideration less than the best that can be reasonably be obtained". The requirement to achieve best consideration applies to all disposals other than by a short tenancy of less than 7 years.

- 4.44 Whilst there is no set process to follow, this duty to achieve best consideration normally leads to land/property being marketed and disposed by the council via private tender or auction, as these disposal routes enable the council to demonstrate that the receipt achieved is best consideration through exposure of the land to the open market. Local Authorities are not however obliged to advertise land for disposal and it is possible to deal with one named purchaser; provided that it follows a robust process and has clear evidence that the consideration for which the land is disposed is the best that can reasonably be obtained.
- 4.45 The Disposals, Acquisitions and Investment Policy, contained within the Walsall Council Strategic Asset Plan 2022-27 defines circumstances where a sale (disposal) to a named party can be considered and where it is appropriate to consider excluding the market from a disposal process. Where circumstances allow the council to consider a disposal to a named party, the disposal must be conducted on terms that reflect best consideration.
- 4.46 The grant of a lease for a term exceeding 7 years to a community organisation which is already in occupation of a building would constitute a disposal to a named party and, as such must be undertaken at a market rent.

Procurement Implications/Social Value

- 4.47 There are no procurement implications to this report although there is clear recognition that, if approved, the circular funding principle will support the delivery of increased social capital within the borough.

Property implications

- 4.48 A number of community organisations currently occupy council-owned properties on an informal basis. This position has the potential to create uncertainty in terms of the respective responsibilities between the council as building owner and the community organisation as occupier which could have potentially serious consequences. Furthermore, in the absence of a lease, the community organisation has no security of tenure for the property.
- 4.49 As detailed in this report, many sources of external funding require applicants to hold long term leases of their properties as a condition of the provision of funding. The ability to grant long term leases to community organisations at best consideration without negatively impacting on their financial position enables them to qualify for external grant funding.

Health and wellbeing implications

- 4.50 The proposed circular funding principles will support the voluntary and community sector in its delivery of essential services to residents in their communities.

Reducing Inequalities

- 4.51 The VCS provides access to essential services and support to all members of the community.

Staffing implications

- 4.52 There are no direct staffing implications associated with this report.

Climate Impact

- 4.53 There are no additional climate change issues arising from this report.

Consultation

- 4.54 Consultation in respect of this report has been undertaken with the Deputy Leaders of the council, Resilient Communities, Finance and Legal Services

5. Decide

- 5.1 The council has made a commitment to support community organisations through the use of its property portfolio and to regularise the occupation of such buildings by community organisations. Accordingly its choices are:
- a) Preferred approach – approve the circular funding model for community organisations which will enable the council to enter into long term leases with community organisations to provide security and stability without having to impose additional cost on the organisations.
 - b) Do nothing – not approve the circular funding model which will prevent the council from entering into long term leases with community organisations without imposing an increase of costs on the organisations.
 - c) Preferred approach - approve the underwriting of appropriate gaps in funding required to improve council owned buildings as part of the Community Capital programme. Allowing the building work to proceed and enabling delivery of the resultant community benefits from council owned buildings.
 - d) Do nothing – not approve the underwriting of gaps to Community Capital grants available for council owned buildings, resulting in the potential loss of funding that will benefit council assets and local communities.

6. Respond

- 6.1 If approved, Corporate Landlord and Resilient Communities will work together with the VCS to agree new leases of council owned properties and will align grant agreements with the new lease documentation and will seek the appropriate delegations.
- 6.2 If approved, the Programme Management service area will set into place the required processes to ensure that the appropriate funding is underwritten and if required utilised to improve council owned buildings and to ensure the delivery of outcomes that demonstrate value for money.
7. **Review**
- 7.1 Corporate Landlord and Resilient Communities will monitor the new circular funding arrangements to ensure that they achieve the intended aims.

Appendices

Background papers

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Signed



Judith Greenhalgh
Executive Director – Resources & Transformation

7 February 2024

Signed



Councillor Andrew
Deputy Leader and Portfolio Holder for Regeneration

7 February 2024

Cabinet – 7 February 2024

Balloon and Sky Lantern Release Policy

Portfolio: Councillor Flint – Wellbeing, Leisure and Public Space

Related portfolios: Councillor Murphy – Street Pride

Service: Place & Environment

Wards: All

Key decision: Yes

Forward plan: Yes

1. Aim

- 1.1. To make Walsall a cleaner, greener borough, known as a place, where nature is respected and protected and where parks and open spaces support the health and wellbeing of our residents and visitors.

2. Summary

- 2.1. Releasing balloons or sky lanterns is often a chosen way to mark an event, commemoration, or celebration. However, while these tributes are carried out with good intent, they can be damaging to the environment and present a fire hazard with ignited lanterns causing potential harm to open spaces and residential areas.
- 2.2. Over 160 local authorities have implemented bans on the release of balloons or sky lanterns, emphasising the need for eco-friendly celebrations to protect the environment, wildlife, and public safety.
- 2.3. The proposed policy will ban the release of balloons and sky lanterns from land owned and maintained by the council including the adopted highway. The policy is provided at **Appendix A** of this report.

3. Recommendation

- 3.1. That Cabinet approve the adoption of the Balloon and Sky Lantern Release Policy, provided at Appendix A of this report.

4. Report detail - know

Context

- 4.1. In recent years, outdoor balloon and sky lantern releases have become increasingly popular at community events or as part of commemorative and celebratory occasions. Whilst providing what may be initially considered to be a beautiful spectacle, the potentially harmful consequences for wildlife and property are often overlooked.
- 4.2. Balloon and lantern releases can pose a direct threat to wildlife, as animals may ingest balloon remnants or become entangled in them, leading to injury or death. The plastic waste generated from these releases becomes litter and exacerbates the broader issue of single-use plastic pollution. Additionally, ignited lanterns may descend and cause fires in open spaces or residential areas.
- 4.3. To date, over 160 English councils have banned sky lanterns including the following West Midlands local authorities:
 - Birmingham City Council
 - Bromsgrove District Council
 - Dudley Borough Council
 - Herefordshire Council
 - Malvern Hills District Council
 - Nuneaton & Bedworth Borough Council
 - Sandwell Borough Council
 - Shropshire Council
 - Solihull Metropolitan Borough Council
 - Staffordshire Borough Council
 - Staffordshire County Council
 - Staffordshire Moorlands District Council
 - Telford and Wrekin Council
 - Warwickshire County Council
 - Warwick District Council
 - Wolverhampton City Council
 - Worcester City Council
 - Worcestershire County Council
 - Wychavon District Council
 - Wyre Forest District Council
- 4.4. The council holds and hosts events in its parks and green spaces, as well as other council venues, such as schools. The proposed policy would ban balloon and sky lantern releases across all of the Walsall Council estate including on the adopted highway. The policy would also encourage private landowners and event organisers to consider alternative options such as kites, balloons on strings or candle lit vigils.

Council Plan priorities

- 4.5. This Policy supports the Outcome: The people of Walsall feel safe in a cleaner, greener borough.

Risk management

- 4.6. Balloon and lantern releases pose significant environmental and safety risks. Released balloons contribute to litter and pollution, posing a threat to wildlife that may ingest or become entangled in them. Balloons can take years to decompose, causing harm to ecosystems. Additionally, released lanterns can cause fires when they descend and ignite dry vegetation. The use of open flames in lanterns also poses fire hazards, potentially endangering lives, and property. Both practices can result in substantial economic costs for communities, necessitating cleanup efforts and potentially leading to legal consequences for event organisers.

Financial implications

- 4.7. A ban on balloon and lantern releases may reduce the appeal of council venues and sites for third party events and therefore income generation could be reduced. The impact cannot be quantified due to a lack of relevant data but is expected to be minimal.

Legal implications

- 4.8. Councils in England already have powers under the 1990 Environmental Protection Act to take an individual to court if they believe them to be guilty of a littering offence or, as an alternative, they may issue a Fixed Penalty Notice. However, proving the offence is very difficult making effective enforcement extremely difficult.
- 4.9. The act of releasing balloons or lanterns is not in itself an offence, however, if they are not disposed of responsibly, they do litter the environment.

Procurement Implications/Social Value

- 4.10. None arising from this report.

Property implications

- 4.11. The policy would apply to all council owned and operated land. Tenants would therefore need to be made aware of the policy if approved by Cabinet.

Health and wellbeing implications

- 4.12. A clean, healthy environment plays an important role in improving wellbeing. Eliminating rubbish and waste is an important part of this as litter gives an indication that people do not respect their local environment and it leads people to feel less safe in their communities.

Reducing Inequalities

- 4.13. While a ban on the release of balloons and lanterns addresses environmental concerns and promote safety, it may inadvertently impact diverse communities differently. Events that traditionally use these releases, such as celebrations and memorials, hold cultural and emotional significance for a number of groups.
- 4.14. The enforcement of bans may disproportionately affect lower-income communities, as these events are often more accessible and affordable forms of expression. Without alternative means of expression, marginalized communities may feel their cultural practices and celebrations are restricted.
- 4.15. This can be addressed by the council setting out affordable, accessible alternatives that are acceptable such as memorial walks, candles in jam jars, planting trees or flowers and the use of bubbles instead of helium balloons.
- 4.16. Balancing environmental conservation with the diverse needs and expressions of communities is crucial for a fair implementation of the proposed ban.

Staffing implications

- 4.17. None arising from this report.

Climate Impact

- 4.18. Adopting the policy will have a positive impact upon the climate as there will be a reduction in litter, which is costly to disposed of in term of carbon production.

Consultation

- 4.19. All organisations on the council's Safety Advisory Group have been consulted on this policy and are supportive.

5. Decide

- 5.1. There are two options, to allow the release of balloons and lanterns, or to prohibit the activity.
- 5.2. Allowing the activity may be perceived as a fun and beautiful experience to watch/participate in. However, it ultimately has a very detrimental impact upon the environment, which can last for decades due to the slow decomposition of plastics.
- 5.3. Prohibiting the activity has a positive impact upon the environment and the council is able to support and encourage more sustainable alternatives, thus this is the recommended course of action.

6. Respond

- 6.1. The council will promote the policy on its website and will ensure that anyone wishing to hold an outdoor event on council land is made aware of the policy through the application process.

7. Review

- 7.1. The policy will be reviewed should legislation be changed, or significant customer feedback indicate that the implementation of the policy is problematic.

Appendices

Appendix A - Balloon and Sky Lantern Release Policy

Background papers

Information drawn from the following websites:

[RSPCA: Sky Lanterns and Animal Welfare](#)

[Sky Lanterns – Find out how we're campaigning for a national ban – NFUonline](#)

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25 January 2024



Councillor Flint
Wellbeing, Leisure and Public Space
Portfolio Holder

25 January 2024

Balloon and Sky Lantern Release Policy 2024



Walsall Council

Version Control

Owner	Healthy Spaces and Environment		
Purpose	To avoid unnecessary damage to the environment and property through the release of balloons and sky lanterns.		
Status	Draft	Version	1
Effective From	01 / 04 / 2024	Approved on	07 / 02 / 2024
Last Updated	07 / 12 / 2023	Last Updated by	Healthy Spaces

This policy links to:

Our Council Plan 2022 – 2025
Cohesion and Integration Strategy
Litter Charter

1. Objective

- 1.1. The objective of this policy is to ensure that Walsall is a clean, green borough, known as a place, where nature is respected and protected and where parks and open spaces support the health and wellbeing of our residents and visitors.

2. Scope

- 2.1. This policy applies to all land and property owned and/or managed by Walsall Council.
- 2.2. The principles and commitments set out in this policy apply to all services and decisions of the Council.
- 2.3. This policy does not apply to piloted hot air balloons.

3. Definitions

- 3.1. **Balloon** refers to any inflatable flexible bag filled with gas, such as helium, hydrogen, nitrous oxide, oxygen, or hot air, made from materials such as rubber, latex, natural latex, paper, polychloroprene, foil, mylar or nylon fabric.
- 3.2. **Sky lanterns**, sometimes known as 'Chinese lanterns' or Kong Ming lanterns are any unmanned device which relies on an open flame or other heat source to heat air within it with the intention of causing it to lift into the atmosphere.

4. Introduction

- 4.1. The release of balloons and sky lanterns can be a spectacular sight often used during festivals, to mark anniversaries and as a part of charity events.
- 4.2. In recent years, outdoor balloon and sky lantern releases have become increasingly popular at community events or as part of commemorative and celebratory occasions. Whilst providing what may be initially considered to be a beautiful spectacle, the potentially harmful consequences for wildlife and property are often overlooked.
- 4.3. Balloon and lantern releases can pose a direct threat to wildlife, as animals may ingest balloon remnants or become entangled in them, leading to injury or death. The plastic waste generated from these releases becomes litter and exacerbates the broader issue of single-use plastic pollution.

Additionally, ignited lanterns may descend and cause fires in open spaces or residential areas.

- 4.4. Helium, often used to inflate balloons, is a non-renewable resource that is in short supply. It is of incredible value to science and humanity, for example in its use as a coolant for MRI scanners. When released from bursting balloons it is lost from the earth entirely.
- 4.5. The Marine Conservation Society (MCS) - an internationally recognised charity for the protection of seas, shores and wildlife has produced a thorough and detailed Pollution Policy and Position statement on Balloons and Sky Lanterns, asking UK Local Authorities to recognise balloons and sky lanterns as a form of littering and to ban all outdoor releases. This stance is actively supported by the Royal Society for the Prevention of Cruelty to Animals (RSPCA), the National Farmers Union (NFU) and many other public organisations.
- 4.6. Numerous countries have banned their use and over 150 councils across England have also banned balloon and lantern releases on council land.

5. Principles and Commitments

- 5.1. The council will not permit the release of any sky/floating lanterns or balloons from land or property which it owns and/or manages the use of.
- 5.2. It is the responsibility of all council departments to comply with and implement this policy as appropriate to their service.
- 5.3. Council representatives on the Safety Advisory Group panels will endorse the prohibition to release balloons and sky lanterns (or similar and set out affordable, accessible alternatives that are acceptable such as memorial walks, candles in jam jars, planting trees or flowers and the use of bubbles instead of helium balloons.
- 5.4. The council will discourage intentional or reckless release of balloons and sky lanterns (or similar) from non-council land.
- 5.5. It should be noted that this policy is intended to prohibit the deliberate release of sky lanterns and helium balloons such as the mass release of balloons at events. The council recognises that there may be instances where single helium balloons will be accidentally released into the environment such as may happen at children's parties.

Cabinet – 7 February 2024

Improving Quality and Value for Money in Adult Social Care Provision

Portfolio: Councillor Pedley – Adult Social Care

Related portfolios: All

Service: Adult Social Care

Wards: All

Key decision: Yes

Forward plan: Yes

1. Aim

- 1 The purpose of this paper is to explain the current market position across Adult Social Care and to set out proposals for a 3-year plan for improving the quality of support. The report includes details how through the fee setting process and engaging with providers we will look to address quality and long-term market sustainability.

2. Summary

2.1 The report:

- a) Sets out the current position and what fees are being paid for key ASC services (current average rates).
- b) Shows how published fees compare to comparator Local Authorities and national benchmarks.
- c) Considers the reasons behind the variation behind framework rates and actual rates paid.
- d) Analyses the relationship between rates paid, CQC quality ratings and occupancy (in bed-based care primarily).
- e) Identifies the affordability gap of applying a Walsall Cost of Care model and sets out proposals for establishing the cost of care in Walsall and the financial impact of required fee levels for 2024/25.
- f) Describes the challenges likely to be faced and the areas of activity that will be needed.

3. Recommendations

- 3.1 To approve the proposed approach to quality, putting in place a 3-year plan for engaging providers around fees, market sustainability and quality.
- 3.2 To approve the funding of this plan that will implement varied uplifts based on current costs to bring the market closer together and further uplifts based on quality.
- 3.3 To support the development of a local approach to quality that will inform future decisions around uplifts.
- 3.4 To support enhancement of the Brokerage Model to support market management.

4. Report detail - know

Context

- 4.1. Walsall Council needs a new approach to managing the market of commissioned services to people in Walsall. This has arisen due to:
 - Walsall ASC's current approach to pricing care and support requires review to ensure that it is consistent, equitable and transparent within and across different services/ markets.
 - The current approach is based primarily on annual uplifts, with limited evidence-based rationale for rates, predominantly using comparative data from neighbouring local authorities.
 - Rates have been comparatively low in Walsall for some years and providers now consistently request additional fees to ensure ongoing sustainability and not in line with the framework contracts.
 - Providers dictate costs for individual support for residential care which makes budget and financial planning unpredictable.
- 4.2. This paper describes the proposed approach to pricing and market sustainability based on the review of the current approach to pricing key care and support contracts within a context of affordability and ASC's budget envelope.
- 4.3. Vision and intentions for Adult Social Care commissioned services
The Council has a statutory duty to ensure that there is a sustainable market for care and support across Walsall. Funding arrangements for available funding now require Councils to demonstrate how that funding is supporting market sustainability.
- 4.4. The past 18 months has seen an increasing number of providers approach Councils reporting that they are in financial difficulties. Ideally this is a position that Councils would like to avoid, but increasingly find that they need to make tough decisions around how financially they can continue to support providers.

Key market shaping commissioning intentions:

- 4.5. The Commissioning Team within the Council are currently updating the wider commissioning intentions for 2023-25 but in summary they include:
- We need to improve the overall quality of provision so that we are only placing people in services rated as at least 'Good' by the CQC.
 - We want to engage providers in a discussion around quality and what capacity we need, especially around more complex needs/dementia care.
 - We need to re-establish confidence in the market that the fees enable providers to be financially sustainable and for commissioning to have better oversight and management of this.
 - Agree a fee that removes the need for variations to fees charged by providers.
 - We want to shape a diverse, sustainable and quality market.
 - We want to support providers to deliver high quality care and support.
 - We want to develop and implement a comprehensive Quality Assurance and Compliance Framework within the Adult Social Care Market.

Methodology

- 4.6. The Council reviewed all the current rates to determine what the actual average fee rates are across Walsall for residential and community based support, not what the contractual rates were.
- 4.7. A Walsall Cost of Care Model and reasonable cost of care was then created using the average rates applied across the Fair Cost of Care template to work out what uplifts would be required to address cost pressures.
- 4.8. Cost pressures were applied that were specific to each cost area. (eg salary costs were uplifted in line with National Living Wage, Utility and Energy costs in line with increases, others by CPI).
- 4.9. The financial impact of adopting the model was established and quickly established there was insufficient funding in 24/25 and would be unaffordable.
- 4.10. Proposals worked up to build towards the Walsall Cost of Care model and start to level off the variation in fee levels and at the same time start to address quality in the delivery of care and support.
- 4.11. The Council is proposing to introduce a 3 year plan for managing provider fees and quality as it is unaffordable to adopt the full model in year one.
- 4.12. The proposed approach will be required as failure to address the current market conditions will mean budget management will continue to be difficult with providers still able to dictate fee levels.
- 4.13. **This would mean costs will still be incurred by the Council, but with less control over the direction of the market.**

Current approach to pricing and fee rates paid for key ASC commissioned services

- 4.14. Currently there is not a clear and consistent methodology for pricing services commissioned by ASC. The current and previous approaches have been based on a flat annual uplift. Pricing approaches are predominantly budget-led and based on how Walsall benchmarks with neighbouring local authorities. We have an opportunity to enhance our commissioning approach to be more evidence based in our approach and introduce alternative market management approaches.
- 4.15. The national Fair Cost of Care (FCOC) exercise provided a consistent methodology nationally for LAs to gather information on the costs to providers of services. Whilst Councils continue to not be funded to support adoption of the FCOC, the principles and methodology should be informing approaches moving forward.

Regional Comparisons

- 4.16. Walsall comes out lowest in the region on a number of spend measures. Total spend per Walsall adult (216,032 of them) comes out 132nd lowest in the 151 LAs measured. If Walsall were to spend at the West Midlands, CIPFA family group and England averages, the Walsall Council spend would be about £22-25m more per annum than the Council incurred in 2022/2023. Walsall Council was also one of the few LAs that didn't take up the 2% ASC Precept in 2023/2024.
- 4.17. The current published fee rates paid by Walsall Council to providers are generally lower compared to other West Midland comparator authorities. This is evidenced in the table below.
- 4.18. It is anticipated most Councils will uplift rates in line with increases to the National Living Wage. Whilst Walsall, due to the market and employment conditions in the area, is not directly seeking to keep pace with other Councils, being an outlier on rates will ultimately present challenges around encouraging providers to invest and recruit to services in the areas.

Lowest rates

Homecare

Service	Walsall	Wolverhampton	Sandwell	Dudley	WM average
Published rates	£18.00	£18.68	£18.40	£19.72	£21.10

Care Homes

Service	Walsall	Wolverhampton	Sandwell	Dudley
OP Residential	£534.33	£536.94	£603.00	£502.46
OP Nursing	£614.06	£640.16	£668.00	£518.98
OP Residential Dementia EMI	£603.34	£592.55	£651.91	£546.14

OP Nursing Dementia EMI (excluding FNC)	£704.74	£667.10	£701.33	£564.13
MH Residential & Nursing	Ave £1,215.72	Ave £1,006	Ave £1,261.43	Ave £1,441.99
LD Residential & Nursing	Ave £1,500	Ave £1494.90	Ave £1,558.11	Ave £1,375
Supported Living				
Service	Walsall	Wolverhampton	Sandwell	Dudley
Supported Living	£17.00 - 17.66	£18.00	£17.08	No standard rate

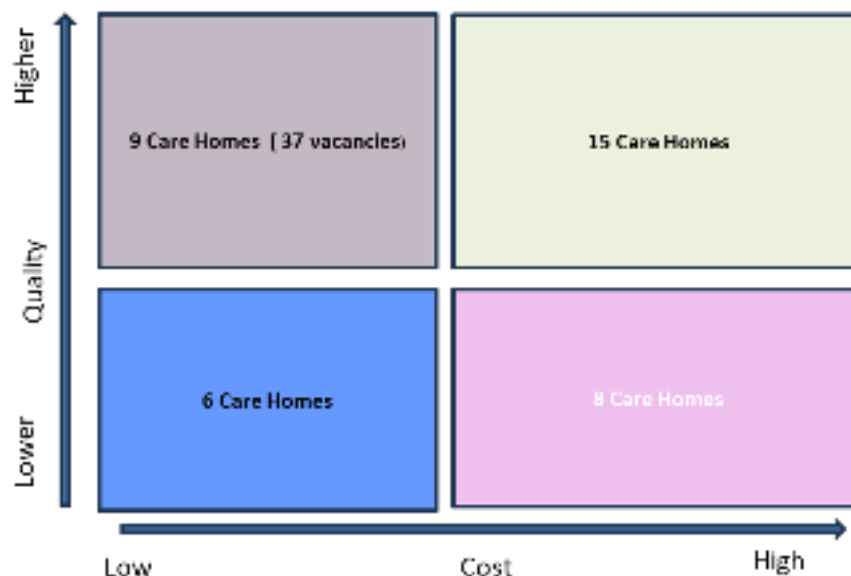
What we are actually paying for support

- 4.19. We have compared published rates across service areas against the actual rates the Council is currently paying for 2023/2024.
- 4.20. This analysis showed that the **published rates are not being adhered to**. There is a variance between published rates in rate cards and actual rates paid by Walsall Council. Increasingly, every bed-based placement made is individually negotiated. Supported Living rates are very varied and enhanced by additional payments making average weekly costs for Supported Living high.
- 4.21. This means that in reality although published rates are behind other areas, the overall rates we pay are closer to regional neighbours.
- 4.22. What is also clear from this is that home care is in a much more stable position compared to residential and nursing care. This is highlighted by the continued success in Walsall around discharges and no delays in putting in place community based care options.
- 4.23. There is significant variability in rates paid to providers in Walsall for comparable types of care. The variability is a particular issue in Older People nursing and nursing dementia/ EMI and in younger adult's residential complex care. For example, there are 371 unique rates paid on circa 780 bed-based placements overall. The variation does not seem to be based on any quality aspects.
- 4.24. Variability in Supported Living rates paid is also apparent. There are 7 Lots on the Supported Living Framework each Lot with a different rate card, none of which match the current average hourly rate of £17.66. Each SL provider is paid a different rate as a result of individual support needs.
- 4.25. A key issue driving this variability is additional first, second and third party top-ups, 1-1s and 2-1s agreed on top of core fee rates. First party top ups and core fees are included in the current average rates paid but are often 'hidden' and asked for by providers in order to take a placement and/or this additional support is decided by social workers based on client need (1-1s, 2-1s).

- 4.26. There is limited control on fees agreed as providers largely dictate fees to social workers and require additional costs to be approved before accepting referrals. More concerning is Providers charging people or their families for further costs through 2nd / 3rd party top ups, with doubts that these charges relate to any additional care and support.
- 4.27. The intention is to agree a core fee that removes the need to individually agree fees and to manage this by centralising the brokering of placements. But this will take time to address due to the wide variation in current fees and the impact of changes to sustainability.
- 4.28. Walsall Council needs to work with providers to better cost and broker placements, meet client needs and ensure sufficient staffing ratios are built into the core base rates. Specifications need updating that set out clearly what is required for different levels of need linked to costs of this care and proactively market shape to ensure that the services needed in Borough are in place.
- 4.29. This degree of variability is not equitable, transparent or consistent and means that it is difficult to set and manage budgets for care and support.

Fee Rates and Quality

- 4.30. 392 out of the 835 bed-based placements (excluding complex individually negotiated packages) are paid above of current average rates (46.94%) but there is no clear link or rationale currently around Providers CQC ratings and the current fees.
- 4.31. Overall, this analysis shows that there is little relationship between prices paid and CQC quality ratings. It shows that we have good providers paid under average rates while we have 'requires improvement' providers paid above average current rates.
- 4.32. This summary diagram shows overall the relationship between cost and quality in care homes.



- 4.33. Average rates for bed -based provision and their quality revealed little difference in prices paid and the quality of provision. Ideally, the plans will reduce the number of providers currently in the lower quadrants, approximately half of all homes in Walsall.
- 4.34. There are 24 vacancies in beds offering “good” quality care at fees below the average that we are currently not filling for any new placements. Updating brokering arrangements should address this, but we also need to factor in local intelligence that is more current than CQC ratings.

Care Home Occupancy Levels

- 4.35. Another key variable in bed-based care is the occupancy and vacancy levels in care homes.
- 4.36. The tables below show that Walsall overall is currently at 83% occupancy in its bed base for older people, 80% if including all beds. This means that just under 20% of beds are vacant. Occupancy is a critical ingredient in the pricing analysis as it could explain why providers are requesting higher rates through first party top-ups, if they have low occupancy numbers. A number of Councils base their pricing models around 90-95% occupancy levels. Working with Providers to improve occupancy levels is a key part of the approach needed in the future.

Occupancy analysis as of 30 November 2023	Residential	Residential EMI	Nursing	Nursing EMI	Complex MH LD
Registered beds 65 Walsall Homes	374	540	328	320	246
Occupancy as of 30 November 2023	339	484	208	270	153
LA Placements	159 (47%)	328 (68%)	106 (51%)	175 (65%)	
% occupancy	90.64%	89.63%	63.41%	84.38%	62.20%

Analysis by sector	LA Funded	Self-Funders	Other LAs	Unknown	Health funded
Occupancy sector	768	349	239	10	89

(figures include 122 beds currently closed at Parklands)

- 4.37. What this table tell us:
- Occupancy levels are lowest in Older People’s nursing.
 - There is capacity in bed-based care for working age adults with mental-ill health and learning disabilities.
 - Walsall has most clients in Older People’s residential dementia/ EMI.
 - In terms of the occupancy levels of individual homes, 3 of the ten homes analysed as high cost have occupancy rated under 80%.

- **Walsall Council continues to have leverage and control as the main commissioner of over half the bed-based market.** 52.8% of all beds in Walsall are commissioned by Walsall Council followed by 24% self-funders and 16.4% by other LAs and 6.1% by the ICB/NHS
- Walsall Council has responsibilities under the Care Act 2014 to ensure sufficiency of supply of care and support for self-funders so there needs to be more understanding of and a focus on the self-funded market – supply, rates paid and quality.

4.38. The table below helps gives us an understanding how commissioning will need to engage with specific providers.

4.39. Ideally most of the providers in Walsall would be able to offer high quality and be financially stable due to high occupancy levels (the green quadrant). 50% of homes are currently in this position.

4.40. There are 8 providers in the opposite position to this (the red quadrant), with 464 people currently supported in homes that offer poor quality and have low occupancy levels. The data earlier in the report showed that what we pay for these beds is variable and has no correlation to the quality of support.

4.41. The overall demand for beds means that we cannot stop using the beds provided by homes in the Low / Low quadrant, but we need to work with them to improve their quality offer and to be financially sustainable in doing so.

A summary of the relationship between quality and occupancy
Residential and nursing homes combined



4.42. Commissioning plans and the focus for the Care and Quality Team will be informed by this analysis so we are engaging with the providers of the care homes that we need to improve.

Homecare

- 4.43. In terms of homecare, rates tend to be more consistent with an average current rate of £18/hr. This is, however, one of the lowest homecare rates paid in the region and against West Midland comparator LAs even after an 11% uplift in 2022/2023. The current national UKHCA suggested rate for homecare is £25.60/hr. Hand-backs of home care contracts are infrequent, with 2 providers handing back contracts in 2023/2024, but this is the first time in a while that Walsall Council has had homecare packages handed back. In terms of the quality of homecare, 32% of Providers are currently rated as requiring improvement. This is high compared to national quality averages and is partly why outcomes in Walsall are considered to be poor, as they use CQC ratings.
- 4.44. There is currently no mechanism to differentiate price paid and quality of homecare provision.

CQC ratings	CQC Totals	Client Numbers 30 November 2023
Good	18 (58%)	979
Not found	1	6
Not inspected	2	34
Requires Improvement	10 (32%)	462
Grand Total	31	1481

- 4.45. To address home care, as per the residential care model, a more coherent approach to setting rates is required in Walsall. A Walsall Cost of Care model will be established to produce a clear basis for how future uplifts will be calculated. Using this approach has resulted in the proposed uplifts in 2024/2025 that will enable providers to keep pace with increases in the National Living Wage.
- 4.46. It should be noted that there remains a desire to adopt a more outcomes based approach to commissioning of home care. Combined with agreeing rates for home care, commissioners will want to engage with the market to reduce the overall number of providers and agree how providers can engage with social care and health colleagues around the model for community support.

Workforce

- 4.47. This paper does not focus specifically on workforce matters and is focused on the way fee uplifts will impact on market shaping. However, workforce is central to any discussion around quality and market shaping. Nationally there is a focus on raising the profile of the workforce and support for better terms and conditions. Whilst Walsall cannot move to support what the Home Care Association and Care England would like Councils to be paying, it is important to recognise that not addressing workforce pressures will fundamentally impact on the quality of care and support. As a result the report strongly advocates keeping pace with National Living Wage increases through the new costing models the work is putting in place.

Overall Financial Impact

- 4.48. The report sets out what the approach has been this year to establish what fee levels should be paid in Walsall and how a more consistent and robust approach will support engagement with providers and how we can manage the market better.
- 4.49. By establishing a clear rationale for engaging with providers around quality and the links with fee levels the intention is to achieve the following:
- Commence a 2-3 year plan for improving the approach to fee setting and give confidence to providers around investment plans for improving quality
 - Start to reduce the gap between what Providers are paid and give a stronger focus on quality
 - Improve budget planning and forecasting by having realistic fee levels that means there will be less variations requested by Providers
 - Remove individual negotiated agreements (1st party top ups) for placements and for the majority of placements to be agreed at the framework rates and remove risk that providers ask unjustified fees through 2nd and 3rd party top ups
 - Reduce the risk that there will continue to be providers that fail as a result of poor quality care or lack of financial sustainability
 - Simplify payment and client contribution processes and systems by reducing the number of different rates being used
- 4.50. Fundamentally though this is about Walsall being able to have a strong and defensible position in the market around what it feels is a suitable fee for care and support that allows the Council to access support for people with providers that offer the right quality. The Council does not want to place people with providers not rated as good. To do this we need to work with providers to support them to understand what they need to do to improve and ensure that together there is agreement on how to establish the right market conditions.
- 4.51. **The total estimated financial cost of the proposals contained in this report is £6,344,256.** *This does not include the National Minimum Wage and CPI pressures on all other contracts not listed in this table (day services, DPs, PAs, Shared Lives, ECH, Prevention contracts) and does not include an uplift on any other facets of provider's costs.*
- 4.52. The Council has budgeted for a 4% uplift in fees for 24/25 for these services which equates to £3.99m for fee increases, which represents a shortfall overall of £2.35m.
- 4.53. There is an additional 24/25 investment of £1.019m to cover uplifts for those areas not covered by this report.
- 4.54. The table below shows the total fee uplift investment.

Care setting	In scope of this report?	Proposed uplift investment	Current investment	Additional investment
Domiciliary care	Yes	1,923,973	1,225,449	698,524
Direct payments		1,378,504	878,020	500,484
Supported living	Yes	1,712,156	1,090,535	621,621
Replacement and short stay care	Yes	31,688	20,183	11,505
Day care		1,389	885	504
Shared lives		111,613	71,090	40,522
Residential and nursing	Yes	2,676,439	1,655,458	1,020,981
Mental Health S117 clients		69,071	69,071	0
TOTAL INVESTMENT		7,904,834	5,010,691	2,894,143

IN SCOPE OF THE REPORT		6,344,256	3,991,625	2,352,631
OTHER CARE AREAS		1,560,577	1,019,066	541,511

5.1 There is a clearly evidenced need for more ASC budget allocation to sustain the provider market in Walsall and to grow and develop markets.

- For the three main types of care and support analysed in this report (bed-based care, supported living and homecare) there is lack of market shaping and management in terms of cost, quality and managing well the supply of provision.
- There are more opportunities than risks for commissioners to 'grip and fix' this situation and the risks can be mitigated and managed through the new dedicated Pricing and Quality Improvement projects as part of ASC's Continuous Improvement Programme (CIP).
- There is an estimated 20% of the Walsall bed -based capacity / supply not currently occupied. This will be linked to different variables and is it not a good situation for providers of this care and is not sustainable for them. Combined with historically low rates, this level of voids will increase risks of provider failure.
- There is insufficient capacity in the market that can deliver "Good" rated support which means commissioners need to carefully work with providers to re-shape and make decisions about provision based on cost and quality, so as to not de-stabilise this market, in particular residential care.
- There is little/no link between the cost and quality of provision. This is a key finding and means that commissioners need to consider fee rates and improvements in quality in a consistent way.
- Overall the quality of provision in Walsall is lower than average. There are not enough good quality providers, and this will require investment and a targeted project to drive up quality. There is not therefore, as it stands, enough of the right provision in Walsall at the right cost and quality. This is also evidenced by the number of more expensive OOA placements made.

- The scale of Out of Area placements and the cost of these placements is significant. This needs to be investigated as this has not been addressed in this report.
- There is complete inconsistency in rates paid, lack of transparency of pricing, higher prices paid for provision that requires improvement over CQC rated good provision and no clear strategy/approach to driving improvement targeting those providers most in need of dialogue and market management.
- There is not an agreed cost model for basing decisions on fee rates that is used by the Council or that can be shared as a point for debate with providers, which means there is no clear rationale or transparency in the fee setting process.
- There are providers that urgently need to be targeted now for meetings to address issues around quality, capacity requirements. These providers can be identified from the quadrants set out in the report
- Supported Living is an area where the tipping point in terms of average weekly costs is nearing/higher than residential prices. There is an urgent need here for grip and fix measures to control costs in this area while ensuring a sustainable base rate. The costs are escalating through additional payments for 1-1s, 2-1s for clients in this care.
- Controls and clear fee rationale will help manage ASC budgets and possibly generate cashable savings longer-term.

Council Plan priorities

- 4.55. Proposals support the Council's core statutory duties around managing a diverse and sustainable market that support the Councils priorities on improving health and well-being of the population of Walsall.

Risk management

- 4.56. The risks to the approach are as follows:
- a) Overall Council budget pressures and gaps in Council finances mean the full cost of care model is unaffordable. However the Council has a duty to manage the market, and to ensure sustainability of the right provision. This inevitably puts pressure on Walsall Council's finances.
 - b) Risk of further market instability and not adhering to Care Act 2014 duties if the current erratic position on market rates, quality and sustainability isn't addressed.
 - c) Risks of demand pressures increasing with no calibration of price controls.
 - d) Reputational risks of the Council not using this evidence to make changes to pricing and quality improvements.
 - e) Risk to CQC LA inspection – market management was a key facet of the peer challenge review.
 - f) Risk of some market disruption and de-commissioning but this is needed in some areas and the evidence in this report is clear of the need to raise the game on quality especially. This is a much needed action that will be painful for some providers but has not been addressed in a strategic way previously with the evidence presented like it is in this paper.

- 4.57. This is a snapshot in time of prices currently being paid, CQC quality ratings (which may be old CQC ratings and not reflect actual quality in a service now) and of occupancy as at the end of the end of November 2023.
- a) Capacity/occupancy figures could be due to a specific issue e.g. contract suspension or refurbishment.
 - b) Capacity by care type with a home with different types of provision is unreliable and capacity can only be measured in totality.
 - c) Outlier cases could skew averages.
 - d) Data integrity – requires detailed analysis and sample checks and case audits
 - e) FCOC (Fair cost of care) data has been refreshed to a current price base (National Minimum Wage and RPI/CPI).
 - f) This data is as clean as data extracted from Mosaic and financial records at this time.

Financial implications

- 4.58. Financial implications have been detailed within the body of this report and appendices (private) and submitted in summary format and form part of the recommendations of this paper. It should be noted the relationship between funding and the ability to offer a diverse choice of safe and high quality adult social care in line with Care Act 2014 responsibilities.

Legal implications

- 4.59. The Council must comply with its statutory duties around market sustainability under Part 1 of the Care Act 2014. Apart from it being compulsory to do so, this is in any event critical to ensure that the Council uses its dominant market position purposefully and methodically in order to secure high quality care, and the requisite choice and quantity of provision at an affordable price and in particular to drive up the quality of care provision where this is needed.
- 4.60. In addition with effect from 1 April 2023, the Health and Social Care Act 2022 has imposed a new duty on the CQC to assess the delivery and compliance by Local Authorities with their Adult Social Care duties under Part 1 of the Care Act 2014 and this could result in the intervention of the Secretary of State were the Council to be considered to be failing in its obligations. Therefore it is important that that the Council is, and is seen to be, proactive in its performance of its duties, to avoid any such intervention.

Procurement Implications/Social Value

- 4.61. Not applicable.

Property implications

- 4.62. Not applicable.

Health and wellbeing implications

- 4.63. Quality of support from Providers will directly impact on health and well-being, so ensuring providers can deliver quality support is a key focus for commissioners.

Reducing Inequalities

- 4.64. Not applicable as the way services are commissioned addresses this area.

Staffing implications

- 4.65. The ability of the independent care sector to recruit and retain the workforce required to deliver care and support is directly impacted by fee levels.

Climate Impact

- 4.66. Not applicable

Consultation

- 4.67. Provider engagement will be required to support full plans for market sustainability and quality. Discussions have taken place with Health partners about adopting the proposals due to the mutual financial impact.

5. Decide

Options for adopting the new approach

- 5.2. The uplift approach is being taken forward within the context of a very challenging financial position for all Councils, not just Walsall. Increasing fees without any consideration for improving quality is not a viable option for commissioners and there will be no incentive for providers to address quality without any link to the fee setting process.
- 5.3. Providers need confidence in their financial position to invest in the workforce and infrastructure of their organisations. This is what commissioners want to explore with providers so that the Council can demonstrate how it can support them with better fees, but be confident that there will be a clear improvement in the quality ratings across all services.
- 5.4. Options for consideration include:
- a. Adopt the full uplift proposals.
 - b. Only award an uplift that is within the current 4% budget figure.
 - c. Agree with providers an affordable uplift for 2024/2025 that is applied to the current rates, working with providers around a longer term plan for fees and quality.

Issues to address

- 5.5. A managed approach to fee setting is required to support budget management across adult social care. Failure to set realistic rates is likely to lead a continuation of the current position.
- 5.6. There is a need to ensure the uplift proposals are affordable and can be implemented onto care management systems in time for 2024/2025 so that budget reporting is based on uplifted figures.
- 5.7. There will be a number of providers currently on the base fee, not the average fee, for whom this will be a significant uplift. Equally there will be a number of providers for whom this proposed rate is less than or not much different to what they have individually agreed with social workers. We need to ensure equity around fee levels, but there may be options to be considered about how uplifts are awarded and a gradual approach to the uplifts may be required.
- 5.8. Quality will be a key part of the revised approach, but commissioning will need to agree with providers how the fee uplift approach is combined with a focus on quality.
- 5.9. Some providers may fail to improve their overall quality and we need to be clear what impact that has within the confines of the existing contracts that ASC has put in place,
- 5.10. CQC do not audit homes on a regular basis that will fall in line with the annual uplift process so we will need to ensure we have an agreed consistent local view of quality that we can use with providers.
- 5.11. Whichever approach is taken, there will be a number of providers that are still currently asking for fees that are above the proposed fee levels. We will need to work with each of those providers to agree a way forward.
- 5.12. The financial impact of the different options is compared in the table below

Option	Commentary
1. Adopt Full Uplift Proposals	Although likely to be well received by providers, if without a clear link to quality it is unlikely to have the required impact on quality. Most expensive option for the Council and unlikely to be affordable.
2. Award a fixed % uplift within the current MTFO	Will only hide the full financial challenge to the Council as providers will continue to charge higher fees. Will have limited impact on the quality and shape of the market
3. Uplift for 2024/2025 applied to the current rates, uplifting the lower paid providers more than higher paid providers and working with providers around a	The preferred option. Will present a financial challenge to the Council, but most likely to support commissioning intentions.

longer term plan for fees and quality	
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- 5.13. The details for adopting the preferred option would be as follows
- a. Run engagement events with providers to set out the uplift approach, the links to quality and the support available to them
 - b. Set out a 3 year plan for uplifts and quality improvement
 - c. Agree a localised approach to quality with providers to inform uplift decisions
 - d. Agree uplifts for providers that uplift lower paid providers to address variations
 - e. High costs providers will be focus for individual discussions to start to reduce the variation
 - f. Link year 2 uplifts of the 3 year plan to quality improvements and continued reduction of the variation
 - g. Support enhancement of the Brokerage approach to support market shaping and commissioning intentions, prioritising new support going to providers rated as Good according to a local quality model.
- 5.14. The above options reduce the financial commitment to an additional £2.352m on top of current MTFO commitments. Note, that this covers uplifts for residential and nursing, domiciliary care and supported living only.

Key Recommendations

- 5.15. The points highlighted in this report will be taken forward within the commissioning plans for 2024/2025. Cabinet are asked:
- a) That the challenges to managing the market, linked to quality and fee setting are acknowledged.
 - b) The preferred option for a 3 year plan addressing quality and fee levels is adopted and used for engaging providers and basing future decisions on fee uplifts, and base future decisions on the Walsall Cost of Care model.
 - c) There is recognition of the role Brokerage would have in supporting management of the market and there is support for prioritising plans within the ASC workplan to introduce a Brokerage model.
 - d) That further work is done to monitor provider progress on quality and their use of top ups.
 - e) That there is continued work with elected members and national Government and through WM ADASS and pressure groups on the criticality of ASC budget increases despite the financial deficit the Council faces to ensure that there is a market of quality provision that can meet the needs of Walsall citizens and to ensure that the Council's Care Act 2014 duties are adhered to in terms of market sustainability and development.

6. Respond

- 6.1 Owing to the far-reaching implications for Adult Social Care and Council finances, it is considered critical that Cabinet is well sighted and versed on the

changes, and that they are fully aware of the implications for the Council as the work is progressed.

7. Review

- 7.1 Owing to the size and nature of work and changes involved as part of the Market Sustainability Plan, there will be further updates at critical junctures as the work streams progress.

Appendices

None

Background papers

None

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Kerrie Allward
Executive Director
26 January 2024

Signed



Councillor Pedley
Portfolio Holder for Adult Social Care
26 January 2024

Cabinet – 7 February 2024

Determination of the Scheme for coordinated admissions, and the Admission Arrangements for Community and Voluntary Controlled Primary Schools for the 2025/26 academic year

Portfolio:	Councillor M. Statham - Education & Skills
Service:	Admissions & Education Sufficiency, Access Service
Wards:	All wards
Key decision:	Yes
Forward plan:	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 2025/26 academic year and the proposed admission arrangements for primary community and voluntary controlled schools for the 2025/26 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 2025/26 by 28 February 2024

3. Recommendations

- 3.1 That the proposed schemes for inter authority coordinated admissions for 2025/26 and that the admission arrangements for community and voluntary controlled primary schools for the academic year 2025/26 as per Appendix 1, are approved and determined.
- 3.2 That Walsall Council informs all relevant stakeholders of the determination of its admission arrangements for the 2025/26 academic year in accordance with the provisions of the School Admissions Code 2021.

4. Report detail – know

- 4.1 As a Local Authority, Walsall Council has the responsibility to draw up and agree schemes for secondary and primary admissions for the 2025/26 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 2025/26 school year by 28 February 2024.

Council Corporate Plan priorities

- 4.2 The admission arrangements for primary community and voluntary controlled schools for the 2025/26 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 2025 and throughout the 2025/26 academic year as part of midyear admissions process.
- 4.3 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

- 4.4 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.
- 4.5 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

- 4.6 None

Legal implications

- 4.7 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.
- 4.8 Walsall Council, as an Admission Authority, has a statutory duty to determine the proposed admission arrangements for community and voluntary controlled schools.

- 4.9 Admissions authorities are statutorily required to complete consultation on any changes to their proposed admission arrangements for the 2025/26 school year by 31 January 2024, and must determine (or finalise) these by 28 February 2024.
- 4.10 Walsall Local Authority consulted on the proposed Admission Arrangements as set out in Appendix 1, in line with the School Admissions Code 2021.
- 4.11 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.
- 4.12 The proposed admission arrangements comply with the School Admissions Code (2021).

Procurement Implications/Social Value

- 4.13 None

Property implications

- 4.14 None

Health and wellbeing implications

- 4.15 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.
- 4.16 The admissions arrangements for community and voluntary controlled schools and the scheme for coordinated admissions ensure that, where possible, children are placed 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

- 4.17 None

Reducing Inequalities

- 4.18 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. 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

4.19 There are no implications.

Consultation

4.20 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.”

5. Decide

5.1 Cabinet is asked to determine these admission arrangements for community and voluntary controlled primary schools for the 2025/26 academic year in accordance with the recommendations as set out above in section 3 of this report.

6. Respond

6.1 The determined admission arrangements for 2025/26 will be published on the Walsall Council website once approved.

7. Review

7.1 The admissions arrangements for Walsall community and voluntary controlled primary schools, and the scheme for coordinated admissions are reviewed annually.

Background papers

School Admissions Code (2021)

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Signed

Signed



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Executive Director Childrens and Customer
26.01.2024



Cllr Mark Statham
Portfolio Holder Education & Skills
26.01.2024



Walsall Council

PROUD OF OUR PAST OUR PRESENT AND FOR OUR FUTURE



Walsall School Admissions Arrangements 2025- 26

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Walsall Council participates in an inter-Local Authority coordinated admission scheme with several neighbouring Local Authorities, namely Birmingham, Dudley, Sandwell, Staffordshire and Wolverhampton. This scheme allows these Local Authorities to coordinate applications for their schools to ensure that the children of their Local Authority receive the highest listed preference on their application form as details by the applicants. This scheme applies to Primary and Secondary applications for Reception, Infant-Junior and Secondary school transfers.

A single application is submitted online at Walsall Council website [School admissions | Walsall Council](#) for children who reside in Walsall, where they can details schools within Walsall and out of borough:

- **Secondary Applications** – can admit up to 5 preferences.
- **Primary & Infant-Junior Applications** – can admit up to 3 preferences.

All on-time applications are processed in the same manner without prejudice regardless of the order of the preferences, once over-subscription criteria has been applied to all the applicants at each school offers will be made. If a child can be offered more than one school place that has been listed, the Local Authority will make an offer of the school detailed highest on the application form.

PRIMARY ADMISSIONS

ADMISSION TO RECEPTION CLASS

If your child was born between **01.09.2020 and 31.08.2021** you must apply for a school place in Reception year before 15 January 2025.

Walsall Council's online application form will be live from 1 November 2024. Applicants can detail up to three schools on their application form, the three schools should be listed in order of preference that they wish their child to be considered for a place.

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.

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 2025.

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 Church of England Schools	Aided CE (A)	Voluntary Schools	Aided Catholic	Academies
Manor Primary	Blue Coat Infant	CE (A)	St Anne's Catholic Primary		All Saint's National Academy
	Blue Coat Junior	CE (A)	St Francis Catholic Primary		Birchills CE Primary Community School
	Cooper and Jordan CE (VA) Primary		St Joseph's Catholic Primary		Blackwood School
			St Mary of the Angels Catholic Primary		Bloxwich Academy

		St Mary's the Mount Catholic Primary	Brownhills West Primary
		St Patrick's Catholic Primary	Busill Jones Primary School
		St Peter's Catholic Primary	Caldmore Primary Academy
		St Thomas of Canterbury Catholic Primary	Croft Academy
			Edgar Stammers Primary Academy
			Fibbersley Park Primary Academy
			Greenfield 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
			Woods Bank Primary Academy
			Woodlands Academy of Learning
			Pheasey Park Farm Primary

By 20-24 January 2025 (TBC), 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 3-7 March 2025 (TBC), 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 17-21 March 2025 (TBC), 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 primary schools.

By 28 March 2025 (TBC), 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 2025 (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 school place.

TRANSFER FROM INFANT – JUNIOR SCHOOL

There are nine Infant Schools in Walsall where children can attend up to the age of seven, they must then move to a junior school to complete their primary education.

Infant school name	Junior school name
Alumwell Infant School	Alumwell Junior School
Blue Coat Infant School	Blue Coat Junior School
Delves Infant School	Delves Junior School
New Invention Infant School	New Invention Junior School
Palfrey Infant School	Palfrey Junior School
Park Hall Infant School	Park Hall Junior School
Rosedale Infant School	Short Heath Junior School
Sunshine Nursery & Infant School	Blakenall Heath Junior School
Whitehall Nursery & Infant School	Whitehall Junior School

Children who are already in attendance at a Walsall Infant School will not automatically transfer from the infant school to their corresponding Junior school. An application is required. An application should be made via Walsall Councils website, listing up to three preferences in order of requirement.

If your child is currently on roll in a primary school in year 6 and resides in Walsall a secondary school application should be completed.

Parents should complete an online application. This will enable Walsall parents of Year 6 children (who will transfer to secondary education in September 2025) 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, or for a Specialist Music Place at Aldridge School 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, 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 2024**.

Preferences, which are changed or added after the closing date without a significant change in circumstances, will be processed as late applications.

All preferences which are changed or added after 30 November 2024 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 pupil's 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 4-8 November 2024 (TBC) 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 6-10 January 2025 (TBC), 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 10-14 February 2025 (TBC), 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 2025 (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.

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 and Young People in Care & previous Children and Young People in Care

Children and young people in care are children who at the time of application are:

- In the care of the Local Authority
- Being provided with accommodation by a Local Authority in the exercise of the social services functions.

Previous Children and young people in Care are children who

- were looked after but ceased to be so due to adoption (or became subject to child arrangements order or special guardianship order) immediately following having been looked after.
- Children who appear to a Local Authority to have been in state care outside of England and ceased to be in state care because of being adopted.

Supporting Evidence:

If the child for whom the application is being made is in the care of a local authority or previous children in care this must be indicated on the common application form, support of this must be added to the application by way of attachment.

2. Children who have a sibling in attendance at the school or paired junior school when the application is submitted and who will still be attending the school at the proposed admission date.

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. 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)

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.

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.

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.

4. For applications to junior schools only. Attendance by the child at the relevant paired infant school when the application is made.

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

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.**

The following voluntary controlled Church of England primary schools have 'Church Places';

- Christ Church CE (C) JMI
- Holy Trinity CE Primary
- Little Bloxwich CE (VC)Primary
- Old Church CE (C) Primary
- Rosedale CE (C) Infant
- St Giles CE Primary
- St John's CE Primary
- St Michael's CE (C) Primary

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.

Supporting Evidence:

A supplementary information form (SIF) will need to be downloaded from the Walsall Council website [School admissions | Walsall Council](#) for applicants to submit to the school.

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.**

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.

LATE APPLICATION POLICY

The online portal will close for secondary applications on 31 October 2024.

The online portal will close for primary applications (Reception & Junior) 15 January 2025.

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.

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 2024 and 30 November 2024.

For primary schools, this applies to applications received between 16 January 2025 and 14 February 2025

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 2024 and 28 February 2025.

For primary schools, this applies to applications received between 15 February 2025 and 15 April 2025

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.

Offers for late applications will be made following National Offer Day as per the below table:

Date	Secondary Late Offer Days
17 March 2025	Late Offers - Phase 1 - Offers made for late applications received between 1/11/2024 & 28/02/2025
19 March 2025	Waiting List Positions available for Secondary 2025 applications
06 May 2025	Late Offers - Phase 2 - Offers made for late applications received between 01/03/2025 & 30/04/2025
23 June 2025	Late Offers - Phase 3 - Offers made for late applications received between 01/05/2025 & 21/06/2025
As Required	Further offers for late applications will be made as required

Date	Primary Late Offer Days
12 May 2025	Late Offers - Phase 1 - Offers made for late applications received between 16/01/2025 & 08/05/2025
14 May 2025	Waiting list positions available for Reception 2024 & Junior 2025 applications.
27 June 2025	Late Offers - Phase 2 - Offers made for late applications received between 09/05/2025 & 27/06/2025
As Required	Further offers for late applications will be made as required

WAITING LIST POLICY

Waiting Lists for all Walsall schools, other than Walsall Academy, will be maintained by Walsall Council until 31 August 2025, 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

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 2nd on their application, then the child's name will only be placed on the waiting list for the school that was ranked 1st.
- 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 2025 (or next working day) for secondary transfers, or 16 April 2025 (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 2025.

After this, waiting lists for phased rounds will be held by the relevant admissions authority for a term only until 31 December 2025.

From 1 January 2026, 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.

MIDYEAR ADMISSIONS

APPLICATIONS FOR MIDYEAR ADMISSION TO WALSALL PRIMARY SCHOOL 2025/26

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 2025/26

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 2025/26 will be available on the Local Authority's website from 1 September 2025

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 2025/26 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.

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.

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. Applications for midyear admissions for secondary schools must be completed with the secondary school directly.

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 2025, they have the option of deferring the child's entry until later in the 2025/26 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.

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 2025, should be submitted by 15 January 2025 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 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.

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:

Priority for nursery places will be given to children born between 1 September 2021 and 31 August 2022. 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 because of being adopted
- 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.
- 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 Manager).
- 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.

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.

ADDITIONAL INFORMATION

CHANGE OF ADDRESS

If you move house following submission of an application for any school place you must contact the Local Authority immediately as it may affect your child's application. Evidence will be required to show your new address, this would need to be validated by proof of address in the form of a utility bill, a solicitor's letter confirming completion of a house purchase and residency at the property as examples.

FRAUDULENT OR MISLEADING APPLICATIONS

The Local Authority will investigate any reports of an application that is suggested to be fraudulent or misleading. Any allegations that are confirmed by the Local Authority may result in the school place been withdrawn from the child.

The local Authority should be alerted to any potential fraudulent application by contacting the Admission & Education Sufficiency Team – schooladmissionsadvice@walsall.gov.uk

SCHOOL ADMISSION APPEALS

You can appeal at the standard points of admission (reception, year 3 or year 7), or mid-year if you've applied to move schools at a non-standard point. For appeals for schools outside Walsall Borough, you'll need to contact the relevant local authority.

It's important to be realistic about your reasons for appealing and the chances of being successful. An appeal can prolong the period of uncertainty for you and your child.

To make an appeal, you will have to set your case out in writing and attend an appeal hearing.

In reception, year 1 and year 2, the class size is limited to 30. Your application can be turned down if all the classes already have 30 children.

Complete your form, save a copy, and return to email AdmissionAppeals@walsall.gov.uk

You can also attach copies of evidence to your email. We accept scans and photos of original documents.

The deadline for you to submit your appeal form is 17 May 2025. Appeals received after this date may not be heard until the new school year, which starts 2 September 2025.

Appeals will take place during term time, up until late July 2025.

ADMISSION NUMBERS FOR COMMUNITY AND VOLUNTARY CONTROLLED PRIMARY SCHOOLS FOR 2025/26

The proposed admissions numbers for community and voluntary controlled primary schools for 2025/26.

The admission number is the capacity of the school to admit children at the normal age of entry in the 2025/26 academic year, that it:

- Admissions into Reception in Infant and Primary Schools
- Admissions into Year 3 in Junior Schools

Community or Voluntary Controlled Primary Schools	Proposed Admission Number	Community or Voluntary Controlled Primary Schools	Proposed Admission Number
Abbey Primary	30	New Invention Infant	90
Alumwell Infant	90	New Invention Junior	90
Alumwell Junior	90	Old Church CE (C) Primary	60
Barcroft Primary	60	Palfrey Infant	90
Beacon Primary	60	Palfrey Junior	90
Bentley West Primary	60	Pelsall Village	30
Blakenall Heath Junior	60	Pinfold Street Primary	60
Butts Primary	30	Pool Hayes Primary	30
Castlefort JMI	30	Radleys Primary	30
Christ Church CE (C) JMI	60	Rosedale CE (C) Infant	90
Chuckery Primary	60	Rushall JMI	30
County Bridge Primary	30	Salisbury Primary	45
Delves Infant	90	Short Heath Junior	90
Delves Junior	90	St Giles CE Primary	60
Elmore Green Primary	45	St James Primary	30
Hillary Primary	90	St John's CE Primary	45
Holy Trinity CE Primary	30	St Michael's CE (C) Primary	60
King Charles Primary	60	Sunshine Infant and Nursery	60
King's Hill Primary	60	Walsall Wood	30
Leamore Primary	30	Watling Street JMI	30
Leighswood	60	Whetstone Field Primary	30
Lindens Primary	60	Whitehall Nursery and Infant	90
Little Bloxwich CE (VC) Primary	30	Whitehall Junior School	90
Lower Farm Primary	60		
Meadow View JMI	60		
Millfield Primary	30		

DEFINITIONS:

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 **most** 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.

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 stepbrother 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).

Cabinet – 7 February 2024

Recommendations from Economy and Environment Overview and Scrutiny Committee

Portfolio:	Councillor Andrew – Deputy Leader and Regeneration
Related Portfolios:	None
Service:	Economy, Environment and Communities
Wards:	All
Key decision:	N/A
Forward plan:	N/A

1. Aim

To receive a recommendation from the Economy and Environment Overview and Scrutiny Committee made on 23 October 2023.

2. Recommendations

That Cabinet considers the recommendations of the Economy and Environment Overview and Scrutiny Committee.

3. Report detail – know

At its meeting of 23 October 2023, the Economy and Environment Overview and Scrutiny Committee received a presentation from the Deputy Leader and Portfolio Holder for Regeneration.

He highlighted that £1.5 billion was being invested into transforming the Borough with a number of interventions to regenerate and support economic activity, increase housing choice and make Walsall a better-connected town for businesses and residents alike.

Members noted the proposed changes as part of the Walsall Town Centre Masterplan including the Connected Gateway project. This project was aimed at improving connections between the town's bus station and train station thus making each transport hub more accessible. In this respect, there was a view that further work could be done to increase transport links by relocating bus services closer to the train station and Park Street.

Due to the changes in consumer habits and the changing role of high streets post-pandemic, the Committee expressed their belief that the Council should be radical in changes to the Borough's town centre plans. They recommended this

should include exploring options for future housing projects in town centres across the Borough.

Resolved:

To recommend to Cabinet that:

- 1. That, the Cabinet and Council Officers be radical in changes to the Borough's Town Centre plans as town centres have radically changed post-pandemic.**
- 2. In connection with (1) above, the Council look to increase transport links by moving bus services closer to Walsall Train Station and Park Street, Walsall.**
- 3. That, the Council explore a clearer vision of future housing potential in town centres in future plans and reports.**

4. Decide

The recommendations of the Committee are set out and the Cabinet could choose to:

1. Accept the recommendations as set out;
2. Reject the recommendations; and/or
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

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