

Cabinet – 13 December 2023

Draft Revenue Budget and Draft Capital Programme 2024/25 to 2027/28 - Update

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 provide an updated medium term financial outlook including the current in-year position for 2023/24 and in relation to the draft revenue budget and capital programme for 2024/25 to 2027/28.
- 1.2 To provide an initial analysis of the Autumn Statement insofar as it may impact the council's financial outlook.
- 1.3 To provide feedback on budget consultation to date including feedback from Overview and Scrutiny Committees, to inform the final budget to be presented to Council in February 2024.

2. Summary

- 2.1 Cabinet on 18 October 2023 agreed the process and timeline for the setting of a four-year revenue budget and capital programme; an updated medium term financial outlook; and Cabinet's first draft revenue budget and capital programme proposals, referring these proposals to Overview Scrutiny Committees for consultation and feedback, to allow Cabinet to then consider this feedback in setting their final budget recommendations in February 2024.
- 2.2 This report includes:
 - An update on corporate financial position for 2023/24 as at October 2023.
 - An update on the medium-term financial outlook (MTFO), based on known pressures and estimated assumptions for 2024/25 to 2027/28 and the draft revenue budget and capital programme since reported to Cabinet on 18 October 2023.

- The impact of the Autumn Statement announced on 22 November 2023 based on information released to date, insofar as it impacts the council's overall financial position and budget assumptions.
- Feedback from Overview Scrutiny Committees on the draft revenue budget and capital programme proposals.

2.3 The final budget will be presented to Cabinet on 7 February 2024 for recommendation to Council, and will be considered by full Council on 22 February 2024, including:

- any changes arising from consultation and equality impact assessments of saving proposals.
- referendum principles and the approved tax base.
- the S151 Officers S25 Statement on the Robustness of the Budget Estimates and the Adequacy of Reserves.
- recommended levels of reserves and contingencies; and
- the final allocation of direct Government funding and other specific grants.

3. Recommendations

Cabinet are recommended to:

Corporate Financial Performance 2023/24

- 3.1 Note 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.
- 3.2 Approve 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.
- 3.3 Approve amendments to the capital programme as set out in section 4.16 and note 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.
- 3.4 Approve 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.
- 3.5 Approve 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.

Draft Revenue Budget and Capital Programme 2024/25 to 2027/28

- 3.6 Note the feedback from Overview Scrutiny Committees at Appendix 3 and consider this feedback in preparation for final budget recommendations in February 2024.
- 3.7 Note 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.
- 3.8 Note the high risk to the MTFO predictions from April 2024 as outlined in section 4.27.
- 3.9 Note 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.
- 3.10 Note the changes to the Draft Capital Programme 2024/25 to 2027/28 as detailed at section 4.32 to 4.34.
- 3.11 Note 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.
- 3.12 Note 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.

4. Know - Context

- 4.1 The council is legally required to operate within a balanced budget and to deliver best value in its service delivery. 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 considered manageable for 2023/24, setting a balanced budget for 2024/25 will be challenging without a fairer Settlement from Government in relation to core funding.

Corporate Financial Performance 2023/24

- 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 impact, on contracts / third party spend in particular, alongside extra ordinary increases in demand costs 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 at October 2023 shows a number of pressures which would lead to a potential revenue overspend of c£19.75m against budget as summarised by directorate in Table 1. Total mitigating actions have been identified of £14.87m, reducing the forecast overspend to £4.88m. The overall position has increased by £1.15m on the September position of £3.73m reported to Cabinet on 18 October 2023.

Table 1: Forecast revenue analysis 2023/24 by Directorate - October 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 18.10.2023 |
|--|---------------|--|---|---------------------------|--------------------------------|---|--------------------|--|---|
| | £m | £m | £m | £m | £m | £m | £m | £m | £m |
| Adult Social Care, Public Health & Hub | 72.78 | 90.73 | 17.95 | (6.53) | 3.20 | 14.62 | (1.87) | 12.75 | 0.35 |
| Children's Services | | | | | | | | | |
| - Children's and Education | 75.48 | 83.78 | 8.30 | (4.11) | 0.24 | 4.43 | (0.52) | 3.91 | 0.63 |
| - Customer Engagement | 3.17 | 5.14 | 1.97 | (1.46) | 0.68 | 1.19 | 0.00 | 1.19 | 0.00 |
| Economy, Environment & Communities | 36.29 | 43.27 | 6.98 | (5.79) | 0.65 | 1.84 | (1.66) | 0.18 | (0.02) |
| Resources & Transformation | 37.41 | 42.79 | 5.38 | (7.79) | 2.30 | (0.11) | 0.00 | (0.11) | 0.35 |
| Services Position | 225.13 | 265.71 | 40.58 | (25.68) | 7.07 | 21.97 | (4.05) | 17.92 | 1.31 |
| Capital Financing | 25.94 | 18.48 | (7.46) | (0.68) | 6.06 | (2.08) | 0.00 | (2.08) | 0.00 |
| Central budgets | (106.91) | (100.31) | 6.60 | (12.63) | 5.88 | (0.14) | (10.82) | (10.96) | (0.16) |
| Total council tax requirement | 144.16 | 183.88 | 39.72 | (38.99) | 19.01 | 19.75 | (14.87) | 4.88 | 1.15 |

The following sections detail movements since the position last reported to Cabinet in October 2023 (September - month 6 position).

4.4 Adults Social Care, Public Health and Hub (£350k increase in overspend from £12.40m to £12.75 after use of and transfers to reserves and mitigating actions).

The main reasons for the increase in overspend are:

- (£210k) – Reviews – September’s position included a projection of £540k in relation to reviews expected to be undertaken within the current month. Net increases of £330k have materialised, resulting in a decrease in the financial position of £210k.
- £300k – Inflow/ Attrition – September’s position included a projection of £500k in relation to the net inflow of service users over and above budgeted levels for the current month. An actual net inflow of new service users with a cost totalling £800k has occurred, resulting in an increase in the financial position of £300k.
- £270k – Decrease in client contribution income and health income including Section 117 and continuing healthcare, partially offset by a reduction in the bad debt provision relating to current outstanding client debt.
- £100k – Delay in achieving the saving relating to ‘Increasing the number of shared lives placements.
- (£120k) – Decrease on Intermediate care service pathways. This predominantly relates to a decrease in average spot purchase rates for discharge to assess beds.

4.5 Children’s and Education - £630k increased overspend from £3.28m to £3.91m after use of and transfers to reserves and mitigating actions)

The main reason for the increase in the position relates to –

- £230k for new costs in relation to a one-off specific complex case.
- £170k increase in overspend on short breaks services primarily due to an increase in the level of support provided to existing children to support them to remain living at home with their family.
- £230k increase in demand position mainly due to increased placement costs following the failure of a key provider to become Ofsted registered therefore meaning children in these placements were then moved to registered placements at an increased cost. Plans are in place to reduce these costs over the next 3 months, and this is included within the current projections and forecast.

4.6 Customer Engagement (overspend of £1.19m after use of and transfers to reserves – no change to position previously reported)

The position in relation to Customer Engagement has not changed overall since September but there are movements within the service: the main changes as detailed below:

- (£100k) decreased demand for bed and breakfast.
- £160k additional CAM savings not being achieved.
- (£80k) holding of vacant posts and utilisation of grants towards existing expenditure.
- £20k increase in bank charges.

4.7 *Economy, Environment and Communities - (£40k) reduction in overspend from £215k to £175k after use of and transfers to reserves and mitigating actions*

The main reasons for the reduction in overspend are:

- Environment (£46k) – reduced HAF expenditure, non-essential spend and additional concession income from parks.
- Operations £7k - £31k one-off due to delay in the update on bulky waste price increases, part offset by reduced computer equipment due to non-essential spend and additional fly tipping income from Walsall Housing Group (WHG);
- Commercial £49k - Increase cost in staffing/agency to cover long term sickness.
- Libraires (£54k) - posts would be recruited to in January 2024, it has now been agreed with managers that posts will not be recruited until 1st April 2024.

4.8 *Resources and Transformation (£354k reduction in underspend from £462k to £108k after use of and transfers to reserves)*

The main reasons for the reduction in the underspend are:

- Building Services £333k – increase in maintenance costs due to ongoing pressure for corrective maintenance on health and safety issues and remedial works on vandalism and theft.
- Energy – forecast cost of £1.86m over budget, fully funded from the cost-of-living reserve.
- Procurement £174k - £150k increased agency costs due to the appointment of 2 interim commercial transformation consultants for the remainder of the year and £22k Oxygen Insights subscription.
- Human Resources (£89k) - reduction in salaries following redesign of the service and posts moving within the service (£124k) partly offset by a reduction in traded income and an increase in professional fees relating to Care Knowledge.
- Various other small movements within the Directorate (£64k).

4.9 *Central (£165k increase in underspend from £10.80m to £10.97m after use of and transfer to reserves)*

The underspend has increased due to the review of the insurance fund which is now showing an in-year underspend of £165k.

4.10 The year-end forecast includes the use of earmarked reserves of £38.99m and transfers to earmarked reserves of £19.01m. Earmarked reserves are created for specified purposes. These are all planned to be used, although the period over which they are to be used and the profiling of that use may vary. This results in projected closing earmarked reserves of £168.77m as shown in Table 2.

| Table 2: Earmarked Reserves | | | | |
|---|--------------------------|-------------------------|-----------------------|--------------------------|
| Category | Opening Balance 01/04/23 | Transfers from Reserves | Transfers to Reserves | Closing Balance 31/03/24 |
| | £m | £m | £m | £m |
| Treasury Reserves | 23.63 | (1.07) | 6.06 | 28.62 |
| Grant / Contributions received in advance | 22.16 | (7.85) | 1.56 | 15.86 |
| Improvement projects | 33.52 | (10.32) | 2.69 | 25.89 |
| Cost Pressures | 21.66 | (8.89) | 0.60 | 13.37 |
| Council Liabilities | 51.18 | (0.31) | 8.11 | 58.98 |
| Covid-19 grants | 0.83 | (0.32) | 0.00 | 0.51 |
| Public Finance Initiatives | 18.01 | (2.54) | 0.00 | 15.47 |
| Risk | 10.65 | (6.82) | 0.00 | 3.83 |
| Other | 7.11 | (0.86) | 0.00 | 6.24 |
| Total | 188.75 | (38.99) | 19.01 | 168.77 |

Reserves are categorised for the purposes of reporting as follows:

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

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 £9.79m of benefits assessed as Red for delivery (at high risk of non-delivery), as shown in Appendix 1 along with the reason and identified service mitigating actions to date totalling £9.68m. Of the £9.79m, £3.95m have been removed from the budget and the remaining £5.82m are planned to be fully delivered within 2024/25.

Passporting of specific grants

- 4.13 Children's Services have been allocated a new section 31 grant from the Department for Education (DfE) of £60,534.27 in 2023/24 to be used to meet programme and delivery costs associated with rolling out the expanded Early Years (EY) entitlements, which was announced as part of the Spring Budget 2023.

The funding is part of the expansion of the EY entitlements and is to be used to support local authorities in meeting programme and delivery costs associated with rolling out the expanded EY entitlements. The grant is expected to be received in full in November 2023.

Cabinet are asked to approve the passporting of this grant to Children's Services to cover the costs of the Programme going forward.

- 4.14 A further section 31 grant has been allocated from the DfE to support local authorities in England to increase the supply of wraparound places, to ensure or guarantee provision for all parents who may need it to access wraparound childcare in their local area from 8am-6pm, meeting current demand and building further demand as announced by the government in March 2023.

Local authorities should work with and fund primary schools and private, voluntary, and independent (PVI) providers, including childminders, to introduce or expand before and after school childcare provisions in their area where there is a gap in availability. As part of this programme the government wants local authorities, schools and providers to test flexible approaches and gather evidence of what works.

The exact plan of spend is yet to be finalised within the service however, Walsall's allocation for 2023/24 is £17,663 and the first instalment of the grant is expected to be received in December 2023 following from the acceptance of the MoU.

The allocation for 2024/25 is £1,146,837 and the provisional allocation for 2025/26 is £534,816. Further detail will be provided to the DfE over the next 6-12 months explaining the plan of spend and future strategies to support the development of wraparound support in Walsall which will enable payment of future allocations.

Cabinet are asked to approve the passporting of this grant to Children's Services.

- 4.15 Following the announcement of the £70m Commonwealth Games Legacy Enhancement Fund (CWGLEF), Walsall Council's Employment & Skills Team have been allocated £801,000 under the Jobs and Skills element which sits within the Economy, Trade & Tourism pillar. The funding must be spent across financial years 2023/24 and 2024/25 and has been double devolved by West Midlands Combined Authority. The focus of this funding is to help increase employment, reduce unemployment and economic activity by engaging disadvantaged residents in job searching, supporting them to progress into education, training, or employment

including apprenticeships. The funding will be allocated for localised targeted jobs support for unemployed younger and older residents, NEETs (Not in Education, Employment or Training) prevention activity with a focus on good quality careers advice and guidance, resourcing for a town centre job shop hub managed through a multi-agency partnership and provision for 60 paid work placements for adults within the private sector. Cabinet are asked to approve the passporting of this grant to Economy, Environment and Communities.

Capital Programme 2023/24

- 4.16 The revised capital programme for 2023/24, reported to Cabinet on 18 October 2023 was £138.38m. Table 3 summarises amendments made to date, resulting in a revised programme of £142.89m.

| Table 3: Amendments to Capital Programme 2023/24 | |
|---|---------------|
| Project | £m |
| Capital Programme 2023/24 per Cabinet 18 October 2023 | 138.38 |
| Council Funded Resources | |
| Digital And Transformation – staffing capitalisation | 0.42 |
| Enabling Technology – further allocation approved by Cabinet 18 October 2023 – funded from Pipeline Development | 2.89 |
| Feasibility studies for Regeneration projects – funded from Pipeline Development | 0.25 |
| Homeless temporary accommodation expansion and redesign programme – funded from Pipeline Development - see 4.19 below | 0.75 |
| Bereavement pathway maintenance – funded from Pipeline Development – see 4.20 below. | 0.17 |
| Pipeline Development | (4.06) |
| Pipeline Development – realignment of budget from 2024/25 | 3.00 |
| External Funded Resources | |
| Local Authority Housing Fund 1 – increased allocation | 0.28 |
| Local Authority Housing Fund 2 – increased allocation | 0.44 |
| Devolved Formula Capital – increased allocation | 0.37 |
| Revised capital programme 2023/24 | 142.89 |

- 4.17 Table 4 summarises the 2023/24 capital programme and forecast outturn after the re-phasing of £32.37m into 2024/25, with the forecast summary of the net underspend of £710k underspend shown in Table 5.

| Table 4: Forecast capital analysis 2023/24 | | | | | |
|---|----------------------|---|---|---------------------------------|---|
| Funding Source | Budget £m | Predicted year end forecast £m | Variance before Carry forward £m | Carry Forward £m | Variance Over / (Under) £m |
| Council funded | 61.36 | 38.91 | (22.45) | 21.74 | (0.71) |
| Externally funded | 81.53 | 70.90 | (10.63) | 10.63 | 0.00 |
| Total | 142.89 | 109.81 | (33.08) | 32.37 | (0.71) |

| Table 5: Summary of Forecast Underspend 2023/24 | |
|---|---------------|
| Project | £m |
| Workshop breakdown vehicle – project completed | (0.01) |
| Walsall Town Centre Public Realm Improvements – allocation not required | (0.36) |
| Social Housing Decarbonisation – allocation not required | (0.28) |
| Nottingham Drive Car Park – project completed | (0.06) |
| Total | (0.71) |

The underspend will be transferred to create a capital contingency to cover any emerging pressures within other approved schemes due to cost of living rises and any new unforeseen capital expenditure.

- 4.18 The capital programme currently shows predicted re-phasing of £32.37m from 2023/24 to 2024/25 as shown in Appendix 2. 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.

Temporary Accommodation

- 4.19 Cabinet are asked to approve the release of £6,424,000 over 4 years to 2026/27 for the Homelessness Temporary Accommodation Expansion and Redesign Programme from the Development Pool (£750k of which is 2023/24 as shown in table 3 above).

The 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, to increase our TA portfolio by a total of 32 units over the next 4 years, is required to arrest the significant unplanned pressure on revenue budgets due to subsidy loss that is experienced by the council when placing into Bed & Breakfast (B&B) rather than using its own TA, estimated at up to £1m in 2023/24. For a year now the council has seen increased demand, with our existing TA at capacity, and thus forcing an increased use of B&B placements, with typically an average of 28 placements at any one time. This is resulting in a poor experience and outcomes for vulnerable households, a number of which are with children, who are having to be placed in non-self-contained B&B rather than self-contained TA.

The implications of not approving are (a) a greater risk of failing in our statutory duty to provide temporary accommodation for homeless households in priority need and (b) a greater reliance on expensive B&Bs which are not only unlawful to use to house families (for longer than 6 weeks) but are very expensive compared to other forms of accommodation.

Bereavement Services Maintenance Programme

- 4.20 Cabinet is asked to approve the release of £170,000 for the Bereavement Services Maintenance Programme from the Development Pool.

The Bereavement Services Maintenance project is in respect of the resurfacing of roads and pathways at Streetly Crematorium, Willenhall Lawn Cemetery, and Bloxwich Cemetery. The project will ensure that our cemeteries and crematorium are maintained and presented to the standard required for the service area to compete in the commercial funeral market and deliver income targets.

New Internal Residential Home

- 4.21 Cabinet is asked to approve the release of £853,600 in 2024/25 for the New Internal Residential Home Programme from the Development Pool.

The project will provide a modern 4/5 bedroomed property that would be 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. Since 2019/20 the total number of children in care has reduced from 671 to 650, however, due to the ongoing sufficiency pressures and the increasing number of complex cases, the number of children residing in an external residential home has risen from 37 to 73 in August 23. In addition, the average weekly cost of these placements has risen from £4.2k to £6.1k over the same period. By opening a new home, the service will have the ability to support the needs of our more complex children, who are currently residing in external residential or unregistered placements, at a lower cost than currently budgeted.

Capitalisation of the Library Book Fund

- 4.22 Cabinet is asked to approve the capitalisation of the Library Book Fund of £145,000 in 2023/24 funded from underspends identified in the capital programme.

An exercise has been done recently to determine that the Library Book Fund is eligible to be treated as capital expenditure. From 2024-25 onwards, the council proposes to capitalise the Library Book Fund with a budget of £145k per annum. It is proposed to capitalise the book fund in 2023-24 and to fund this from underspends identified within the capital programme.

Draft Revenue Budget and Draft Capital Programme 2024/25 to 2027/28 – Consultation

- 4.23 The draft revenue budget and draft capital programme for the period 2024/25 to 2027/28 was reported to Cabinet on 18 October 2023 and proposals were referred on to the respective Overview Scrutiny Committees for consultation, and the feedback and recommendations from each Committee summarised at Appendix 3. Cabinet are requested to note these and any recommendations made and consider any changes that Cabinet may wish to make, arising from these, in making their final budget recommendations to Council in February 2024.

Draft Revenue Budget 2024/25 to 2027/28

- 4.24 The report to Cabinet on 18 October 2023 outlined a number of investments and savings proposals, resulting in a financial gap of £18.06m in 2024/25 (£50.23m over the four years to 2027/28). The MTFO has been reviewed and updated, resulting in the gap reducing from £18.06m to £12.35m, requiring further savings to be identified between now and February 2024 to ensure a balanced revenue budget for 2024/25, as set out in 4.38 below. A further financial gap is forecast of £34.67m over the next three years to 2027/28. This is based on known assumptions and cost pressures forecast as part of the council's MTFO and summarised in Table 6 below.

| Table 6: Council Tax requirement | | | | |
|---|----------------|----------------|----------------|----------------|
| | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
| | £m | £m | £m | £m |
| Council tax Requirement | 144.16 | 152.40 | 158.03 | 163.86 |
| Cost Pressures: | | | | |
| Growth / Investment | 57.61 | 29.37 | 23.14 | 21.87 |
| Savings / efficiencies identified | (13.32) | (9.30) | (8.02) | (6.72) |
| Investment linked to savings | 2.78 | 1.43 | 0.24 | 0.08 |
| Other savings to be identified | (12.35) | (17.56) | (8.41) | (8.70) |
| Other movements / funding changes: | | | | |
| Other changes including base budget adjustments, grants, income | (9.72) | (0.85) | (0.42) | 0.85 |
| Core Funding changes | (6.70) | (4.47) | (1.85) | (1.85) |
| Collection fund (surplus) / deficit | 0.57 | 0.65 | 0.00 | 0.00 |
| Transfer to / (from) reserves | (10.62) | 6.36 | 1.15 | 0.50 |
| Revised Council Tax Requirement | 152.40 | 158.03 | 163.86 | 169.90 |
| 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% |

4.25 Table 7 summarises the changes made to the MTFO previously reported to Cabinet on 18 October 2023.

Table 7: Movement in MTFO since report to Cabinet on 18 October 2023

| | 2024/25 £m | 2025/26 £m | 2026/27 £m | 2027/28 £m | Total £m |
|---|---------------|---------------|---------------|---------------|---------------|
| Gap as per report to Cabinet 18 October 2023 | 18.06 | 14.23 | 8.57 | 9.36 | 50.23 |
| Changes to investments | | | | | |
| Inv 24,36,47,66,70,73,74,79 - all linked investment moved to offset savings | (2.32) | (1.47) | (0.24) | (0.08) | (4.12) |
| Inv 30A,B,E - Public Health allocations amended | 0.06 | 0.07 | 0.05 | 0.05 | 0.23 |
| Inv 31 - Public Health grant allocated | 0.00 | (0.07) | (0.05) | (0.05) | (0.17) |
| Inv 37,56,83 - fall out of investment removed | 0.88 | 0.08 | 0.00 | 0.00 | 0.95 |
| Inv 65 - additional children in care demand / cost pressures | 2.60 | 1.02 | 0.46 | 0.34 | 4.43 |
| Inv 68 - Early Help removed as offsets saving | (0.89) | 0.00 | 0.00 | 0.00 | (0.89) |
| Inv 76 - Placement costs - Inflationary increases for external framework placements | (1.18) | (0.06) | (0.06) | (0.06) | (1.37) |
| Inv 79 - Childrens residential homes revenue costs reviewed | 0.00 | (0.04) | 0.05 | 0.00 | 0.01 |
| Inv 98 - External audit contract increase – NEW | 0.18 | 0.00 | 0.00 | 0.00 | 0.18 |
| Inv 99 - Legal - two Senior Democratic Services posts – NEW | 0.11 | 0.00 | 0.00 | 0.00 | 0.11 |
| Inv 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 - one off funded from reserves | 0.48 | (0.24) | (0.24) | 0.00 | 0.00 |
| Total changes to investments | (0.08) | (0.71) | (0.04) | 0.19 | (0.64) |
| Changes to savings proposals | | | | | |
| OP6 - Capitalisation of highways works removed (duplicated) | 0.20 | 0.00 | 0.00 | 0.00 | 0.20 |
| OP16,21,39,57,60,62,63,64 - all linked investment moved to offset savings as above | 2.32 | 1.47 | 0.24 | 0.08 | 4.12 |
| OP39 - Finance business partner review and restructure amended | (0.12) | 0.00 | 0.00 | 0.00 | (0.12) |
| OP48 - Early payment supplier programme removed | 0.06 | 0.00 | 0.00 | 0.00 | 0.06 |
| OP59 - Early Help restructure removed as offset by investment above | 0.89 | 0.00 | 0.00 | 0.00 | 0.89 |
| OP63 - Placement sufficiency - opening of further homes - revised following business case | 0.00 | 0.04 | (0.11) | 0.00 | (0.07) |
| OP65 - Adolescent service linked investment rephased as now to commence January 2024 | 0.01 | (0.01) | 0.00 | 0.00 | 0.00 |
| OP73 - Removal of revenue DaTS budget - now to be funded from capital – NEW | (0.33) | 0.00 | 0.00 | 0.00 | (0.33) |
| Total changes to savings proposals | 3.03 | 1.50 | 0.13 | 0.08 | 4.74 |

| | 2024/25 £m | 2025/26 £m | 2026/27 £m | 2027/28 £m | Total £m |
|--|---------------|---------------|---------------|---------------|---------------|
| Central adjustments | | | | | |
| Use of reserves - borrowing rescheduling | (1.97) | 1.97 | 0.00 | 0.00 | 0.00 |
| Use of reserves - Childrens sibling group investment | (0.32) | 0.00 | 0.32 | 0.00 | 0.00 |
| Use of reserves - Childrens remand investment | (0.10) | 0.00 | 0.10 | 0.00 | 0.00 |
| Use of reserves - remove centre of excellence funded from proud | 0.00 | 0.29 | 0.00 | 0.00 | 0.29 |
| Base budget adjustment for funding of fall out of investment (Inv 37,56,83 above) | (0.88) | (0.08) | 0.00 | 0.00 | (0.95) |
| Central - Council tax additional 1% income subject to referendum limits | 0.00 | (1.53) | (1.63) | (1.73) | (4.90) |
| Central - reduction in Business rates income as per September forecast | 2.35 | (1.43) | 0.83 | 0.88 | 2.63 |
| Central - Increase in section 31 grant for business rates retention scheme - as per September forecast | (3.20) | 0.08 | 0.00 | (0.00) | (3.12) |
| Central - Collection fund surplus - as per September forecast | (0.65) | 0.65 | 0.00 | 0.00 | 0.00 |
| Central - New Homes Bonus | (0.60) | 0.00 | 0.00 | 0.00 | (0.60) |
| Use of reserves - Business rates reserve to fund New Art Gallery effect on deficit | (2.66) | 2.66 | 0.00 | 0.00 | 0.00 |
| Use of reserves - ASC continuous improvement | (0.48) | 0.24 | 0.24 | 0.00 | 0.00 |
| Other base budget adjustments | (0.16) | (0.32) | (0.10) | (0.09) | (0.66) |
| Total central adjustments | (8.66) | 2.55 | (0.25) | (0.95) | (7.31) |
| Revised savings to be identified (Current gap) | 12.35 | 17.56 | 8.41 | 8.70 | 47.02 |

4.26 Children's demand services investment request has increased by £1.4m in 2024/25 since the previously reported MTFO. This is due to an unexpected increase in the number of children entering care between period 4 (July) and period 7 (October) compared to previous years. In this period, 49 children have entered care of which 10 children were following a new referral into Children's services, 7 were part of 2 larger sibling groups and 13 were separate migrant children. 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 our support, so we can attempt to target these children and meet need at the earliest opportunity. In addition to these immediate actions, there is continued focus and reflection on how a revised commissioning strategy could support these challenges in the medium term.

To note the increase in the investment request relates to the ongoing cost of the increased number of children in care currently. It does not assume that the increased number of children entering care will continue going forward based on the assumption that the mitigating actions will prevent this from continuing.

4.27 Since the fair cost of care exercise which showed that uplifts to providers in Walsall were below regional and national comparators, the council allocated £7.9m in 2023/24 to fund uplifts to providers who provide services for Adults with Social Care needs. This was a combination of both one-off and ongoing funding, and the one-off funding has been included in the draft MTFO for 2024/25, together with an additional £4.45m for the 2024/25 uplifts. Due to recent announcements on the National Living Wage increase due from April 2024, a further high risk has been identified within Adult Social Care of c£3.9m that may impact this position. A separate report will be produced for Cabinet in February on this and options for consideration.

4.28 Table 8 summarises the revised net investment / (savings) by Directorate for 2024/25.

| Table 8 : Net investment / savings by Directorate 2024/25 | | | | |
|--|--------------------------|-----------------------|--|--|
| Directorate | Investment £m | Savings £m | Investment linked to savings £m | Net investment / savings £m |
| Adult Social Care, Public Health and Hub | 28.41 | (4.59) | 0.75 | 24.56 |
| Children's Services | 13.33 | (3.66) | 1.71 | 11.38 |
| Children's - Customer Engagement | 1.30 | (0.43) | 0.00 | 0.87 |
| Economy, Environment and Communities | 4.01 | (2.91) | 0.04 | 1.14 |
| Resources and Transformation | 0.70 | (1.73) | 0.28 | (0.76) |
| Central / Capital Financing* | 9.87 | 0.00 | 0.00 | 9.87 |
| Total Net Investments by Directorate | 57.61 | (13.32) | 2.78 | 47.06 |

Note: Central investment includes £8.09m of 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.

4.29 Whilst it is recognised that full Council will only set the council tax bands for 2024/25 in February 2024, the budget will continue to take a four-year view, allowing for a

more strategic focus to service re-design and savings aligning the finances more directly to the objectives, outcomes and markers of success of the council and maintaining/improving performance against these.

Dedicated Schools Grant

- 4.30 Current finance regulations allow Dedicated School Grant (DSG) deficits to be ring-fenced from the council's wider financial position in the statutory accounts. That ring-fence was due to end from this financial year but has been extended for a further three years until 31 March 2026, with the intention that Local Authorities should be in a position to manage high needs costs within budget by the end of the three-year period.
- 4.31 As the High Needs block continues to forecast a deficit position, the Local Authority is required to develop, maintain, and present a DSG Management Plan to the Education and Skills Funding Agency (ESFA) which identifies mitigating actions that can be put in place to manage current and future years pressures. An initial plan was presented to Schools Forum and Cabinet in March 2023, and now that further information relating to 2023/24 is available a further review and update of the plan is currently taking place. A meeting with the ESFA to review the draft update took place in September 2023 and a further update will be presented to the ESFA again in February 2024, following which the final updated position will be reported to Schools Forum and Cabinet in March 2024. This plan includes a number of mitigating actions and progress against these. Should growth in pupil numbers be as forecast and these mitigating actions be sufficient it is forecasted there will not be a deficit against the High Needs block at the end of the ring-fenced period, however a level of risk does remain and further updates and reports will be presented where required.

Draft Capital Programme 2024/25 to 2027/28

- 4.32 The draft capital programme was reported to Cabinet on 18 October 2023 of £132.08m in 2024/25, with a further £202.21m over the following three years to 2027/28. Table 9 below summarises the changes made to the draft programme, resulting in a revised draft capital programme of £121.99m in 2024/25, and a further £217.46m over the three years to 2027/28. This represents a reduction of £10.09m in 2024/25 (£7.34m council funded thus a reduction in borrowing requirement, and £2.75m in externally funded schemes).

| Table 9: Movement in Draft Capital Programme 2024/25 to 2027/28 since report to Cabinet on 18 October 2023 | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2024/25 £m | 2025/26 £m | 2026/27 £m | 2027/28 £m |
| Council Funded Schemes - Cabinet 18 October 2023 | 75.23 | 54.91 | 21.71 | 8.16 |
| Replacement of PC's in libraries removed. Scheme to be considered for funding from Pipeline Development subject to business case | (0.21) | 0.00 | 0.00 | 0.00 |
| Mosaic Case Management Solution - Access Community Gateway - scheme removed | (0.07) | 0.00 | 0.00 | 0.00 |
| Future High Streets Funding - rephased | (4.86) | 0.00 | 4.86 | 0.00 |
| Streetly Crematorium - Cremator reline - removed as potential to fund in 2023/24 from underspends pending approval | (0.05) | 0.00 | 0.00 | 0.00 |
| Capitalisation of Library Book Fund - removed as potential to fund in 2023/24 from underspends pending approval | (0.15) | 0.00 | 0.00 | 0.00 |
| Pipeline Development - realignment of approved funding to 2023/24 | (3.00) | 0.00 | 0.00 | 0.00 |
| Pipeline Development – additional requirement | 1.00 | 1.27 | 5.88 | 0.49 |
| Revised Council Funded Schemes | 67.89 | 56.18 | 32.45 | 8.65 |
| External Funded Schemes - Cabinet 18 October 2023 | 56.85 | 43.37 | 55.96 | 18.10 |
| Walsall Masterplan - rephased | (2.75) | 2.75 | 0.00 | 0.00 |
| Revised External Funded Schemes | 54.10 | 46.12 | 55.96 | 18.10 |
| Revised Programme | 121.99 | 102.30 | 88.41 | 26.75 |

Pipeline Development Investment

- 4.33 A sum of £40m was approved by full Council in February 2021, with a further £30m in February 2022, and £30m in February 2023; a total of £100m set aside over the 6-year period 2021/22 to 2026/27.
- 4.34 Of the £100.4m total provision, approximately £56.6m has been allocated, with the remaining £43.8m. This provision has been increased by a further £8.6m over the period as above, resulting in a revised total allocation of £109.0m. This funding is to support those schemes in development stages as outlined at Appendix 4. This includes schemes where funding or match funding is required (subject to external funding bidding processes) in order for some of these projects to progress as there is insufficient headroom within the existing capital programme to fund all of these development opportunities. This provision is held centrally. 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.

Autumn Statement and MTFO Impact

- 4.35 The Chancellor's Autumn Statement announced on 22 November 2023 confirmed a focus on five areas: reducing debt, cutting tax and rewarding hard work, backing British business, building domestic and sustainable energy, and delivering world class education. It is important to point out that the announcement was limited in respect of local government and there was no mention of Children's or Adult Social Care challenges or funding.

4.36 The financial impact for 2024/25 will not be known until receipt of the draft Settlement which is expected sometime mid to late December. Estimates of potential impact are included where available, but these are limited, and are subject to release of detailed allocations and terms and conditions which may be prescriptive. Key announcements made that may impact on Walsall are as follows -

Core Funding and Core Spending Power

- The government confirmed the assumption for the future path of departmental spending with total departmental spending (DEL) growing in real terms at 2.6% a year on average over this Spending Review period. After this Spending Review period, planned departmental resource spending will continue to grow at 1% a year on average in real terms, excluding the funding provided to local authorities in 2024/25 as part of the one-year Retail, Hospitality, and Leisure relief scheme. However, this growth, it appears, is likely to be from local council tax rises.

Business Rates - Local authorities will be fully compensated for all business rates measures announced in the review.

- Freezing of the small business rates multiplier initially for 12 months from April 2023, now extended for another year. The standard multiplier will be updated in line with September CPI.
- 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. This discount initially applied for 12 months from 1 April 2023; but will now be frozen for a further year. The above will be compensated for in council budgets.

Education

- The government is funding a down payment of over £600m over the next two years. This will give teachers in key shortage academic and technical subjects – who are in the first five years of their career – a payment of up to £6,000 per year tax free, including further education colleges for the first time; support students to achieve their maths and English GCSEs where they did not pass first time; improve the quality of maths teaching; and build a deeper understanding of what works in 16-19 teaching and training with a £40m capital investment into the Education Endowment Fund.

Pay / Pensions / Welfare Support / Energy

- National living wage to rise by 9.8% from £10.42 to £11.44 per hour from 1 April 2024 for over 21's (was from age 23 previously). The rise for ages 21-22 will be from £10.18 to £11.44 per hour. Walsall currently pays the living wage that is set by the living wage foundation (Real Living Wage), which was recently announced as £12.00 per hour in November 2023, which will need to be endorsed by Council in the pay policy for 2024/25. It is expected that subject to the pay award being in line with our pay budget assumptions, it would take all council employees over the £12.00 living wage.
- £50m announced to increase the number of apprentices in engineering and other key growth sectors over 2 years.
- Pension reforms to consult on giving pension savers a legal right to require a new employer to pay pension contributions into their existing pension.'
- Over 2023/24, the government is providing targeted support to the most vulnerable, through Cost-of-Living Payments, to 8 million UK households on eligible means-tested-benefits, 8 million pensioner households and 6 million

people across the UK on eligible disability benefits. 41 Local Authorities will also be able to continue supporting households with the cost of essentials through the £1 billion provided for the Household Support Fund this year.

- National Insurance – employee contributions to be cut from 12% to 10% from 6 January 2024.
- Cut in taxes for self-employed from April 2024.
- Benefits will increase in 2024/25 by 6.7% - based on inflation rate for September 2023.
- Pensions triple lock ensures state pension rises by 8.5%.
- Benefits to stop for those refusing to seek work. After 18 months seeking a job, claimants will need to take part in a mandatory work placement to increase their skills and improve their employability.
- Local Housing allowance rate increased to support people on benefits to pay their rent to a private landlord.
- Money off electricity bills for those living near power infrastructure - these measures will cut grid access delays by 90% and offer up to £10,000 off electricity bills over 10 years for those living closest to new transmission infrastructure.
- State pension to increase by 8.5% to £220.20/week from April 2024.

Infrastructure Initiatives

A number of new infrastructure initiatives were announced that may impact on local councils, for which we await formal confirmation:

- £450m third round of the Local Authority Housing Fund to provide additional funding for new Temporary Accommodation as well as homes for Afghan refugees.
- Reform of planning system to allow for faster planning applications, by allowing local authorities to recover the full costs of major business planning applications in return for being required to meet guaranteed faster timelines. If they fail, then these fees will be refunded automatically with the application being processed free of charge.
- £5m to incentivise greater use of Local Development Orders in England, to end delays for businesses so that key commercial projects secure planning permission faster.
- Confirming the next set of investment zones in Greater Manchester, the West Midlands, and the East Midlands; and doubling the flexible funding envelope for each investment zone from £80 million to £160 million by extending the programme and associated tax reliefs from five to ten years. The West Midlands Investment Zone will focus on advanced manufacturing and local partners expect it to help to leverage £2 billion in private investment and help to create 30,000 jobs in the region over the next 10 years. The government has committed to provide flexible, single funding settlements for WMCA and GMCA at the next Spending Review. The government has published a Memorandum of Understanding (MoU) for these single settlements. The MoU sets out how the government will operationalise these single funding settlements for the GMCA and WMCA.
- £32m across housing and planning to unlock thousands of homes across the country. This includes additional funding to tackle planning backlogs in Local Planning Authorities (LPA), alongside further reforms to streamline the system through a new Permitted Development Right to enable one house to be converted into two homes.
- £4.5bn of support for private investment in strategic manufacturing sectors between 2025 and 2030. This includes £975m for aerospace firms, £520m for life

sciences like medical research companies, and 960m for the new green industry firms.

- £150m Investment Opportunity Fund to extend financial incentives for Investment Zones and tax reliefs for Freeports from five to 10 years.

Other

- A commitment to digitise all local council property data.
- People living near new pylons and electricity substations will receive up to £10,000 off energy bills over a decade.
- £7m announced to tackle antisemitism. This funding will ensure support is in place for schools and universities to understand, recognise, and deal with antisemitism effectively.

4.37 The budget is an evolving process, with recognition that funding assumptions may change as the budget develops.

4.38 Whilst the council awaits the outcome of the Settlement, it continues to explore opportunities within Proud workstreams and budget themes agreed as part of the budget setting process. The key ones that are still to be validated and included within the MTFO position (by the end of December) are as follows. Saving ranges are indicated, totalling between £4.5m and £9m.

- Business Plans to be taken forward from externally supported budget workshops in October (Adult Social Care) and December (Rest of the council) - saving range of £1m - £3m.
- Third Party Spend – Consolidation of supplier and contract spend - saving range of £2m - £3m.
- Enabling Technology / Customer Access Management – Quick wins £1m.
- Impower Review – Quick wins saving range of £500k - £2m.

Council Plan Priorities

4.39 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 available resources. It aims to achieve this through the delivery of efficiencies, income reviews and service reviews and redesign to redirect existing and reducing resources to areas of high council priority in order to deliver the council outcomes. This budget has been prepared using the council's high-level purpose and priorities as outlined in the approved Council Plan.

Risk Management

4.40 The budget process is governed by the overarching Medium Term Financial Framework and Council Plan. Risk management is an integral part of this activity and is embedded in budget preparation, monitoring, and forecasting to enable potential budget variances and risks to be identified early and addressed.

4.41 There is still uncertainty around Government funding for 2024/25 and beyond due to the lack of Government allocations beyond the short term and the uncertainty around potential changes arising from the Review of Relative Needs and Resources (formerly the Fair Funding Review) and Business Rates Revaluation. The

MTFO continues to be regularly reviewed to ensure all significant changes are reflected.

- 4.42 There is a risk that funding will reduce more than anticipated or that further pressures will emerge, whether cost of living related or otherwise, which will require the council to address them prior to setting the budget in February 2024. As the need for savings increases, the council's ability to protect services from being reduced or ceasing diminishes.
- 4.43 The budget is risk assessed and this will be used to formulate the recommended level of contingencies and reserves. The outcome of this will be reported to Cabinet and Council in the final budget report.

Financial Implications

- 4.44 The Council must set a balanced revenue budget and capital programme to meet its legal requirements. A four-year plan provides for sounder financial planning and management of financial risk.

Legal Implications

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

Procurement Implications / Social Value

- 4.47 There are no direct implications arising from this report. Any procurement implications as a result of the development of the budget or savings and investment proposals will be set out within the relevant proposals as they are developed.

Property Implications

- 4.48 Cabinet on 20 April 2022 approved the council's Strategic Asset Plan 2022-27. The Strategic Asset Plan is the key document which sets out the council's vision and approach for the management of its property portfolio under the Corporate Landlord model. The Corporate Landlord model approach takes a more strategic approach to property and asset management across the council, bringing together property, facilities management and commissioning responsibilities into a key enabling service under the council's new functional model. This will ultimately enable the development and implementation of an estate that supports Proud and the wider corporate objectives of the council. Any direct property implications as a result of the budget or capital programme will be set out as they are developed.

Health and Wellbeing Implications

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

Staffing Implications

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

Reducing Inequalities

- 4.52 Reducing inequalities is the council's vision as set out in the Council Plan. Assessing the impact of proposed organisational changes and changes to policies, procedures and services is a positive opportunity for the council to ensure good decisions are made, based on robust evidence. It is clear that the decisions taken by individual services do not operate in isolation. Thus, when making policy, it is important not just to look at the potential impact of individual measures, but also to ensure that their interaction is properly understood and that the cumulative impact is taken into account. Understanding the cumulative impact on protected groups should be a pre-requisite of any policy making process.
- 4.53 Under the Public Sector Equality Duty an analysis of impact on equality must contain sufficient and suitable information to enable the council to;
- Demonstrate it has given 'due regard' to the aims of the equality duty in decision making.
 - Consider ways of mitigating or avoiding any adverse impacts.
- 4.54 The council uses an Equality Impact Assessment (EqIA) to check the lawfulness of council decisions in relation to the impact on people with certain characteristics protected by the Equality Act 2010. An EqIA must contain relevant data and sufficient analysis to enable Members to understand the equality implications of a proposal and any alternative options before any decisions are arrived at.
- 4.55 Completing an EqIA provides a positive opportunity to ensure that the council makes better decisions, based on robust evidence, and will identify any anticipated impact on residents, service users and staff that fall within the protected characteristics as defined in the Equality Act. Equality impact assessments are undertaken on service and organisational change proposals as they develop and any implications reported as they arise, to allow Cabinet to consider and make any revisions required.
- 4.56 Initial screening EqIAs have been carried out on options to indicate whether full EqIAs will be required. All 6 policy proposals within the draft revenue budget will have a full EqIA, and a further 6 operational items will require one. These will be undertaken and

reported to Cabinet as Cabinet formulates its final budget recommendations to Council in February 2024.

Climate Change

- 4.57 The budget and capital programme will need to be prepared with consideration of the council's Climate Change Action Plan (CCAP) and the six key areas of the plan: strategy, energy, waste, transport, nature, resilience, and adaptation as appropriate. Proposals within this budget includes investment in the service to support the CCAP.

Consultation

- 4.58 Section 138 of the Local Government and Public involvement in Health Act 2007 places a general duty on every local authority in England to take such steps as it considers appropriate to secure that representatives of local persons (or of local persons of a particular description) are involved in the exercise of any of its functions, among other things by being consulted about the exercise of the function. The 2010 Equality Act, whilst not imposing a specific duty to consult, lays a requirement to have due regard to the equality impact when exercising its function.
- 4.59 Consultation is an integral part of the budget process and arrangements are in place to consult with a range of communities and stakeholders as appropriate (the public, councillors, business rate payers, voluntary and community organisations, etc.). Consultation has been publicised and communicated widely via a range of methods and channels.
- 4.60 Consultation focussed on policy related draft budget options as they develop from Proud activity and findings presented to Cabinet. Consultation was primarily conducted online. However, in order to ensure that everyone who wants to have their say is able to, in line with our Public Sector Equality Duty (PSED), alternative formats and support to respond will be provided to those who request it. Findings along with equality impact assessments will be reported to Cabinet for their consideration and to inform Cabinet's final budget recommendations to Council in February 2024.
- 4.61 All Overview and Scrutiny Committees have received the draft revenue and capital budget proposals for consultation in respect of the portfolio of services falling within their remit, and their recommendations are reported at Appendix 3. Consultation period was from 19 October to 10 December 2023. Findings along with equality impact assessments will be reported to Cabinet for their consideration and to inform Cabinet's final budget recommendations to Council in February 2024.

5. Decide

- 5.1 This report is the second stage in the process for setting a 2024/25 balanced budget. Cabinet are asked to approve the recommendations as set out, and to consider the feedback from Overview and Scrutiny Committees as appropriate.

6. Respond

- 6.1 Cabinet will report their final revenue budget and capital programme recommendations on 7 February 2024, along with any feedback from the final settlement, stakeholder consultation and equality impact assessment.

7. Review

- 7.1 The final budget report to Cabinet on 7 February 2024 will be recommended to Full Council on 22 February 2024, where the 2024/25 budget and council tax levels will be approved.

Background papers:

Various financial working papers.

Corporate Financial Performance 2023/24 as approved by Cabinet on 18 October 2023.

Draft Revenue Budget and Draft Capital Programme 2024/25 – 2027/28 as approved by Cabinet on 18 October 2023.

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13 December 2023

Appendices: -

- 1 Benefits 2023/24 currently identified as 'Red' due to risk of delayed delivery.
- 2 Predicted re-phasing of capital funded schemes 2023/24 to 2024/25.
- 3 Feedback from Overview Scrutiny Committees –
 - a. Children's Services Overview and Scrutiny Committee (2 November 2023)
 - b. Education Overview and Scrutiny Committee (21 November 2023)
 - c. Economy and Environment Overview and Scrutiny Committee (23 November 2023)
 - d. Social Care and Health Overview and Scrutiny Committee (7 December 2023)
 - e. Scrutiny Overview Committee (11 December 2023)
- 4 Capital Development Schemes – subject to business case approval.

Appendix 1 - 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 | 105,473 | 0 | Delay in transferring clients from current care setting to shared lives. | No mitigating actions identified. |
| 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 | OP15 – 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 – Improved charging policy and processes | 864,984 | 814,984 | 814,984 | 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 £85k. Remainder mitigated by use of risk reserve for 2023/24. |
| 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. |
| 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 through staffing vacancies & underspends in supplies and services. |
| Total Adult Social Care, Public Health & Hub | | 4,082,311 | 3,477,507 | 3,372,034 | | |

| 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 | 118,000 | 118,000 | Recruitment and retention benefit will not be achievable based on current forecast. | Mitigated from risk reserve for 2023/24. |
| Total Children's Services | | 934,406 | 249,958 | 249,958 | | |
| 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. | Mitigated from risk reserve for 2023/24. |
| Total Customer Engagement | | 1,540,000 | 1,540,000 | 1,540,000 | | |
| Resources & Transformation | OP34 - Platinum Secure Storage | 13,000 | 13,000 | 13,000 | Contract currently under retendering. | 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 | | 43,000 | 43,000 | 43,000 | | |
| 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 | | |
| 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. |

| 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 | 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. |
| 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 | 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 | 11,250 | 11,250 | 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 | 5,000 | 5,000 | 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 | OP1 – Income generation 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. |

| 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 | OP23a – Income generation 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. |
| 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 | 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. Remainder mitigated by use of risk reserve for 2023/24. |
| 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 | 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 Red position. |
| Economy, Environment & Communities | 2022/23 - Premium bulky waste collection service | 15,000 | 15,000 | 15,000 | Currently no demand for a premium service. No delivery plan in place. | Currently being mitigated by general underspends within Clean and Green. |
| Total Economy, Environment & Communities | | 1,585,798 | 1,548,707 | 1,548,707 | | |
| Total | | 11,115,515 | 9,789,172 | 9,683,699 | | |

Appendix 2 – Predicted re-phasing of capital funded schemes 2023/24 to 2024/25

| Project | £m |
|--|------|
| Council Funded | |
| Capital Investment Earmarked Reserve | 4.47 |
| Capital Contingency | 0.32 |
| Looked After Children Out of Borough Placements | 0.15 |
| Council House Smoke & Heat Detection Fire Alarm | 0.30 |
| Operation Repair & Maintenance of Council Buildings | 0.21 |
| Walsall Council House - Modern Secure Reception | 0.02 |
| Council House Internal Decoration | 0.03 |
| Civic Centre Plumbing | 0.07 |
| Council House Windows | 1.23 |
| Council House Roof Repairs | 1.12 |
| Computer Aided Facilities Management System | 0.15 |
| Saddlers Centre Shopping Centre | 0.23 |
| New Homes Bonus | 0.08 |
| Regenerating Walsall | 0.22 |
| Enterprise Zones | 0.73 |
| Willenhall Masterplan | 2.55 |
| Middlemore Lane Household Waste Recycling Centre | 2.65 |
| Play Areas and Outdoor Gym Improvements | 0.47 |
| Promotion of Community Health & Safety | 0.12 |
| Walsall Town Centre Public Realm Improvements | 0.10 |
| MyCMIS – Asset Management tracking system | 0.02 |
| ICT – Safe and Secure Environment | 1.43 |
| Enabling Technology | 2.56 |
| Maintaining a Safe and Secure Environment | 0.30 |
| Telephony Cloud Based System | 0.46 |
| Proud Card Payments Digital Website | 0.82 |
| Ways of Working | 0.25 |
| Konica Multi-functional device re-tender | 0.05 |
| Archiving systems moving to customer access management retired | 0.06 |
| Digital & Technology Service (Dats) Staffing Capitalisation | 0.07 |
| Changing Places toilets | 0.12 |
| Development Team capitalisation of posts | 0.33 |
| Walsall Gateway | 0.02 |
| Brown Jug Compulsory Purchase Order | 0.03 |
| External Funded | |
| Bloxwich Town Deal | 1.55 |
| Walsall Town Deal | 0.80 |
| Land and Property Investment Fund | 1.01 |
| Growing Places Fund | 0.66 |
| Future High Street Fund | 3.63 |
| West Midlands Strategic Transport Plan (STP) 'Movement for Growth' | 0.43 |

| Project | £m |
|--------------------------------|--------------|
| Limestone Surveys | 0.11 |
| Family Hub Life Programme | 0.02 |
| Local Authority Housing Fund | 0.44 |
| Willenhall Masterplan | 1.70 |
| Local Authority Housing Fund 2 | 0.28 |
| Total | 32.37 |

Draft Revenue Budget and Draft Capital Programme 2024/25 – 2027/28

Recommendations of the Children's Services Overview and Scrutiny Committee following Budget Consultation

Summary of report

This report presents the comments and recommendations from the Children's Services Overview and Scrutiny Committee following consideration of the draft revenue and capital budget proposals for consultation for 2024/25 to 2027/28 to date at the Committee's meeting on 2 November 2023.

All overview and scrutiny committees have received the draft revenue and capital budget proposals for consultation following Cabinet on 18 October 2023, in respect of the portfolio of services falling within their remit. The revenue proposals set out in the report to Cabinet on 18 October 2023 do not yet balance the budget for 2024/25, so further reports will be presented to close the remaining c£18m gap. The next meeting of Cabinet is on 13 December 2023, and there will be subsequent reports to this panel on any further options relating to services within the remit of this committee.

These recommendations will be reported back to Cabinet on 13 December 2023, for them to consider the feedback contained within this report in formulating their draft budget proposals at Cabinet on 7 February 2024 for recommendation in the final financial plan to Council on 22 February 2024.

Response to the draft budget options

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:

- 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.**

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Signed:

Councillor Hicken

Councillor A. Hicken
Chair, Children's Services Overview
and Scrutiny Committee

Signed:



Colleen Male
Executive Director
Children's and Customer

Draft Revenue Budget and Draft Capital Programme 2024/25 – 2027/28

Recommendations of the Education Overview and Scrutiny Committee following Budget Consultation

Summary of report

This report presents the comments and recommendations from the Education Overview and Scrutiny Committee following consideration of the draft revenue and capital budget proposals for consultation for 2024/25 to 2027/28 to date at the Committee's meeting on 21 November 2023.

All overview and scrutiny committees have received the draft revenue and capital budget proposals for consultation following Cabinet on 18 October 2023, in respect of the portfolio of services falling within their remit. The revenue proposals set out in the report to Cabinet on 18 October 2023 do not yet balance the budget for 2024/25, so further reports will be presented to close the remaining c£18m gap. The next meeting of Cabinet is on 13 December 2023, and there will be subsequent reports to this Committee on any further options relating to services within the remit of this committee.

These recommendations will be reported back to Cabinet on 13 December 2023, for them to consider the feedback contained within this report in formulating their draft budget proposals at Cabinet on 7 February 2024 for recommendation in the final financial plan to Council on 22 February 2024.

Response to the draft budget options

The Portfolio Holder (Education and Skills) introduced the report to the Committee, and the Finance Planning 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:

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.

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Signed:

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Committee

Signed:



Colleen Male
Executive Director
Children's and Customer

Draft Revenue Budget and Draft Capital Programme 2024/25 – 2027/28

Recommendations of the Economy and Environment Overview and Scrutiny Committee following Budget Consultation

Summary of report

This report presents the comments and recommendations from the Economy and Environment Overview and Scrutiny Committee following consideration of the draft revenue and capital budget proposals for consultation for 2024/25 to 2027/28 to date at the Committee's meeting on 23 November 2023.

All overview and scrutiny committees have received the draft revenue and capital budget proposals for consultation following Cabinet on 18 October 2023, in respect of the portfolio of services falling within their remit. The revenue proposals set out in the report to Cabinet on 18 October 2023 do not yet balance the budget for 2024/25, so further reports will be presented to close the remaining £18m gap. The next meeting of Cabinet is on 13 December 2023, and there will be subsequent reports to this Committee on any further options relating to services within the remit of this committee.

These recommendations will be reported back to Cabinet on 13 December 2023, for them to consider the feedback contained within this report in formulating their draft budget proposals at Cabinet on 7 February 2024 for recommendation in the final financial plan to Council on 22 February 2024.

Response to the draft budget options

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 – Crease 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.

Matt Powis

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Signed:

Signed:

Councillor M Follows

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Chair, Economy and Environment Overview and
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Dave Brown
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Draft Revenue Budget and Draft Capital Programme 2024/25 – 2027/28

Recommendations of the Social Care and Health Overview and Scrutiny Committee following Budget Consultation

The meeting is not scheduled until 7 December 2023, so the feedback on draft budget proposals will be tabled at Cabinet.

Draft Revenue Budget and Draft Capital Programme 2024/25 – 2027/28

Recommendations of the Scrutiny Overview Committee following Budget Consultation

The meeting is not scheduled until 11 December 2023, so the feedback on draft budget proposals will be tabled at Cabinet.

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 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 (c up to 10-15 units maximum). There is currently no scheme currently to quantify, hence only the land CPO costs have been included plus legal/tax and contingency.
- **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 because of poor current provision.
- **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 a 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. Decision expected in December 2023

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 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 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.