



Walsall Council

You are hereby summoned to attend a meeting of the Council of the Metropolitan Borough of Walsall to be held on **MONDAY the 23rd day of September 2024 at 6.00 p.m.** at the Council House, Walsall.

Public access via: www.WalsallCouncilWebcasts.com

Dated this 13th day of September, 2024.

Yours sincerely,

Chief Executive.

The business to be transacted is as follows:

1. To elect a person to preside if the Mayor and Deputy Mayor are not present.
2. Apologies.
3. To approve as a correct record and sign the minutes of the meetings of the Council held on 8th July, 2024– **(pages 9 –12)**
4. Declarations of interest.
5. **Local Government (Access to Information) Act, 1985 (as amended):**
To agree that the public be excluded from the private session during consideration of the agenda items indicated for the reasons shown on the agenda.
6. Mayor's announcements.

7. To receive any petitions
8. To answer any questions in accordance with Council procedure rules:
 - (a) From the public: None.
 - (b) From members of the Council:

Councillor Smith

As a result of the new Labour Government's announcement on the withdrawal of the Winter Fuel Allowance, worth up to £300 each year, for millions of pensioners, could the appropriate Portfolio holder share with me, this Council and the public, the impact of this decision on the pensioners of our Borough by giving a ward by ward breakdown of the numbers of pensioners who will lose the Winter Fuel Allowance as a result of the Chancellor's recent announcement?

Councillor Latham

Exposure to asbestos fibres can cause lung cancer or another fatal cancer called mesothelioma which is a cancer of the lining of the lungs. According to the all-party parliament group on Health and Safety (Asbestos in schools) It is estimated that 75% of Britain's state schools contain asbestos much of which is badly maintained, meaning that staff and pupils are exposed to this killer fibre.

Having researched this issue, it seems there is a lack of awareness across schools and in particular amongst staff in relation to asbestos in school and the role everyone should play in keeping themselves and others safe. We support the call for asbestos removal in schools but in the meantime, we urge the relevant cabinet member to ensure the authority is supporting and ensuring that schools are managing the risk effectively.

Under a FOI request to all Local Authorities in 2015 Walsall local authority reported that 71 schools and 2 short stay units contained asbestos. Can you provide us with an update on this and the outcome of any recent audits or inspections the authority may have carried out in relation to management plans for schools where the LA is the employer? Can you also advise if any such audits or information is gathered for other schools in the borough, where there may not have a legal obligation but one would certainly hope, some kind of moral obligation and duty of care to the authority's children and young people?

This matter was brought to our attention by a former Walsall school teacher who dedicated her career to teaching in the borough and has recently been diagnosed with Mesothelioma and wants to raise awareness of the issue to prevent more people from going on to develop the disease unnecessarily. I commend them for bringing this to our attention at a time of extreme personal difficulty.

Councillor Russell

Walsall is a much-maligned town but we do have some treasures, a rather neglected medieval church, St. Matthews, and our beautiful Arboretum Park.

As someone who walks in the park almost every day however, I am concerned that there is an accident waiting to happen between cyclists and pedestrians. Both groups of visitors use the park daily and in significant numbers. I myself have witnessed many close shaves between cyclists and pedestrians and was very nearly involved in one directly, not too long ago.

Will this Council undertake to review the safety arrangements for those using the arboretum both on foot and cycling, to ensure any required cycle lanes and signage is in place as needed in order to minimise the risk of a collision and potential injury? It would be useful to review the arrangements for cycling lanes across the town centre at the same time, as the issue also affects this area of the Borough, especially during peak times.

Councillor Ward

Could the portfolio holder please confirm how much council tax was uncollected for the year 2023-2024? How many times bailiffs were instructed in 2023-2024 and at what financial cost?

Councillor Smith

Given that the most recent "Blakenall Ward Profile 2024" though admittedly based on statistics from 2021 to 2023, reveals some alarming findings, such as that:

- Blakenall is the most deprived ward within Walsall, with every neighbourhood falling within the 20% most deprived areas in England, facing challenges across domains, particularly: • Adult Skills • Education and Training • Income • Children and Young People--- and ranking within decile 1: the 10% most deprived areas in England for those specific domains.
- Almost half of all households (45%) in the Blakenall ward are families with limited resources who budget to make ends meet..... mainly low earning families with limited educational qualifications, multiple children, poor quality housing and little disposable income. This group is most vulnerable to economic shocks like fuel/energy/cost of living inflation.

- 70.2% of households by working age and before pensionable age, in the Blakenall ward claim Council tax reduction, this being the 2nd highest of Walsall's 20 wards and higher than the Borough average of 64.1%.
- The general level of development for children (GLD) living in the Blakenall ward is 7% lower than the Borough average and 13% lower than the national average.
- In terms of recorded crime, Blakenall ward ranks 5th highest in the Borough.... considerably higher than the Borough average.
- Blakenall ward ranks 4th highest in the Borough for recorded ASB.

Given all of the above, which are specifically mentioned in the “Blakenall Ward Profile 2024” and given also that my subjective recollection of being on this Council for much of the time, over the last 42years, is that hardly any change of significance has taken place in the Borough's wards’ “pecking order” of deprivation and all that this entails, despite refreshed Reports on a regular basis during this time... a time when we have had both Labour led Governments and Conservative led Governments, **can the Leader of the Council inform me, this Council and the citizens of Blakenall ward and beyond:**

- a) To what extent will the Ward Profiles influence/shape/determine, future policy of this Council especially in respect of tackling the inequalities that have continued to beset particular neighbourhoods within wards for many decades and still do,
- b) How will measures to address such inequalities and levels of relative socio-economic deprivation be assessed as to their success or otherwise and how will this be made clear to all Councillors,
- c) Whether you agrees with me that the fairly regular regurgitation and refreshing of similar previous Reports that have been telling us much the same story for half a century is a basis for but no substitute for identifiable, measurable and successful action, and;
- d) To what extent, do you think that the Council's success in tackling socio-economic inequality and deprivation locally is very much restricted by, dependent on and determined by, the macro-economic and social policies of central government?

Councillor Ward

The draft 2025-29 Council Plan commits to:

“Explore how we as a Council can drive social value keeping Walsall money in Walsall and supporting community wealth building activities”.

Social Value and Community Wealth Building are mentioned in the recent Commercial Strategy report considered by the Cabinet.

Given that the 2022 Walsall Council Peer Review recommended it had much to learn from other councils about keeping the pound in Walsall and achieving Social Value the Labour Group is concerned that could just be a tick box exercise and that residents of Walsall will not experience the benefits of CWB.

Against this background the Labour Group is asking for:

1. A breakdown of social value required for and achieved by Council service departments, including contracts connected with the Borough's £1.5 billion regeneration programmes, since the Council last reported on this.
 2. Could you confirm how much in financial terms of the Council's contracts go to business/organisations go to those based in Walsall?
 3. Will the Council commit to a more robust corporate social value strategy which includes staff and member training?
 4. Whilst achieving social value is an integral part, community wealth building goes much wider. Harnessing not only what a council spends but it's public sector partners, amounting to millions of pounds, procuring services in a council area. What actions will this Council take to ensure officers and members are informed about this approach and how it can be achieved in Walsall?
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9. **Committee Appointment** - To confirm that Councillor Burley be appointed Vice Chair of the Standards Committee for the remainder of the municipal year.
 10. **Black Country Consortium Limited** - To confirm that Councillor Perry be appointed as a member to the Black Country Consortium Limited for the remainder of the municipal year
 11. **Appointments Panel** – to establish an Appointments Panel (**Pages 13 - 23**)
 12. To confirm the following recommendations of **Cabinet**:

(a) Treasury management Annual Report

To note and forward to Council, for consideration and noting (in line with the requirements of the Treasury Management Code of Practice (2021)), the Annual Treasury Management Report 2023/24 including prudential and local indicators (Appendix A).

(Note: Report to Cabinet held on 17 July, 2024 reproduced for this meeting (**pages 24 to 47**))

(b) Walsall Youth Justice Plan

- a) That Walsall's Youth Justice Annual Strategic Plan is recommended to Council for approval.
- b) That Cabinet delegate authority to the Executive Director of Children's Services, in consultation with the Portfolio Holder for Children and Young People, to make any future minor amendments to the plan as required.

(Note: Report to Cabinet held on 11 September, 2024 reproduced for this meeting (**pages 48 to 53**))

13. **Portfolio holder briefings** - To receive a 5 minute presentation from the following portfolio:

- a. Adult Social Care – Councillor K. Pedley **(To Follow)**

(Note: A member of the Council may ask the portfolio holder any question and another associated question without notice upon each report. Questioning by members is limited to 10 minutes for each report presented.)

14. To consider the following motion, notice of which has been duly given by **Councillor Smith**

Winter Fuel Payments

Given that the Winter Fuel Payments, have been made available to everyone above State Pension age in the UK (most recently, this included those born on or before 24 September 1957) – which will no longer be the case from this winter as a result of a statement recently made by the Chancellor, Rachel Reeves, and that,

Until this winter approximately 11.4million pensioners were entitled to a winter fuel payment of between £100 and £300 per year but as from this year only about 1.5 million pensioners on pension credit and other benefits will be eligible to receive this allowance, thus taking the allowance away from approximately 10 million pensioners nationally and thousands of pensioners locally, and given further that

The Energy Price Cap is likely to rise by 10% this October and stay high across the winter, leaving most energy bills nearly double those before the energy crisis at levels unaffordable for millions,

Walsall Metropolitan Borough Council calls on the Government to review, in time for the forthcoming winter, its recently announced plans to scrap the winter fuel allowance for all pensioners other than for those who receive Pension credit and other benefits, which will deprive over 10 million senior citizens, nationally, and potentially thousands of pensioners in the Borough of Walsall, of between £100 and £300 per year.

15. To consider the following motion, notice of which has been duly given by **Councillors Murphy, Gill, Flint and Elson**

Funding Children's Hospice Care for Life-Limited and Life-Threatened Children in Walsall

Background:

Acorns Children's Hospice provides essential care and support for children with life-limiting and life-threatening conditions, as well as their families, in Walsall. This care includes respite, end-of-life care, and bereavement support, among other critical services. However, Acorns is facing significant financial challenges due to rising costs and stagnant local NHS funding, which has not increased since 2021/22. Currently, Acorns relies on fundraising, donations, and profits from charity shops for two-thirds of its income.

Without sustainable funding, Acorns may be forced to reduce services or turn away children for the first time in its 36-year history, which would have a devastating impact on local families who depend on their support.

Motion:

This Council notes that:

1. Acorns Children's Hospice is a vital resource for children with life-limiting conditions and their families in our constituency.
2. The Children's Hospice Grant, a ringfenced NHS fund, is crucial for the continued operation of children's hospices like Acorns, enabling them to provide essential services.
3. There has been no increase in local NHS funding for children's hospices since 2021/22, despite rising operational costs, which has led to increased reliance on external fundraising efforts.
4. The current Children's Hospice Grant is only guaranteed until 2024/25, leaving future funding uncertain.

This Council believes that:

1. The UK government must ensure equitable and sustainable long-term funding for children's hospices, including Acorns, to safeguard the essential services they provide to local families.
2. Maintaining and protecting the Children's Hospice Grant as a centrally distributed, ringfenced grant is critical to ensuring that children's hospices can continue to support the health and well-being of life-limited and life-threatened children.

This Council resolves to:

1. Support the campaign led by Acorns Children's Hospice, calling on the UK government to:
 - Protect and maintain the Children's Hospice Grant as a directly distributed, ringfenced grant.
 - Guarantee the Children's Hospice Grant for at least five years.
 - Increase the Grant annually by the rate of inflation.
2. Write to the Secretary of State for Health and Social Care, urging the government to commit to the above actions to secure the future of Acorns and other children's hospices.
3. Engage with local MPs and stakeholders to advocate for the continuation and enhancement of funding for children's hospices.
4. Raise awareness within our community about the importance of Acorns Children's Hospice and encourage local support and engagement with their fundraising efforts.

Action:

The Council requests that the Leader of the Council writes to the Secretary of State for Health and Social Care and local MPs, expressing this Council's support for the campaign led by Acorns Children's Hospice, and urging them to take immediate steps to secure sustainable funding for these vital services.



Walsall Council

Minutes of the **ORDINARY MEETING** of the Council of the Walsall Metropolitan Borough held on **Monday 8 July, 2024, at 6.00 p.m.** at the Council House, Walsall.

Present

Councillor A. Harris (Mayor) in the Chair

Councillors: G. Ali

A. Andrew

H. Bashir

M.A. Bird

C. Bott

P. Bott

R. Burley

J. Chapman

S. Cheema

S.J. Cooper

M. Coulson

S.K. Ditta

S. Elson

K. Ferguson

G. Flint

M. Follows

N. Gandham

A. Garcha

P. Gill

L. Harrison

A.J. Hicken

A. Hussain

K. Hussain

T. Jukes

P. Kaur

R. Larden

N. Latham

E. Lee

K. Margetts

R. K Mehmi

E. Morgan

K. Murphy

J. Murray

L. Nahal

S. Nasreen

A.A. Nawaz

K. Pedley

G. Perry

W. Rasab

L.J. Rattigan

E. Russell

S. Samra

K. Sears

G. Singh Sohal

P. Smith

C.A. Statham

M.A. Statham

C.D.D. Towe

M. Ward

V.J. Waters

J. Whitehouse

24. Apologies

Apologies were received on behalf of Councillors I. Hussain, Gultasib, Parkes, S. Hussain, Martin, Wilson, Bains, and Hassan.

25. **Minutes**

Resolved

That the minutes of the meeting held on 20 May, 2024 and Extra Ordinary meeting held on 3 June, 2024, a copy having been sent to each member of the Council, be approved as a correct record subject to the following amends to the Committee, Charities and Outside Body Appointments :-

- Delete 'Harper, Marsh and Crumps Almshouses' and replace with 'Henry Boys Almshouses'.
- Merrions Wood Charity - insert the initial 'K' in front of 'Hussain'.

26. **Declarations of interest**

There were no declarations of interest.

27. **Local Government (Access to Information) Act, 1985 (as amended)**

Resolved

There were no items in private session.

28. **Mayor's announcements**

There were no Mayor's announcements.

29. **Petitions**

None submitted.

30. **Questions**

(a) From the public:

Mark Brindley

The following question was put by the Mayor in the absence of the questioner. It was noted that a response would be provided in writing to Mr Brindley.

How has the conclusion of the trials regarding the murders of Bailey Atkinson and Akeem Francis Kerr influenced the collaborative efforts to enhance safety in Walsall's Town Centre, and what strategies are being considered for the future night-time economy?

(b) From members of the Council: None

31. **Members appointed to the Executive**

A report was submitted [annexed].

Resolved

That the Cabinet responsibilities for the remainder of the municipal year 2024/25 be noted.

32. **Committee, Charities, and Outside Body Appointments**

A report was submitted [annexed].

It was **moved** by Councillor Perry, seconded by Councillor Andrew and:

Resolved

That the following members be appointed to the undermentioned Committee and bodies for the remainder of the municipal year 2024/25 (unless otherwise stated):

(a) Personnel Committee

Chair – Councillor P. Gill

Vice Chair – Councillor A. Hicken

(b) Outside bodies

West Midlands Combined Authority Board

Main representative: Councillor G. Perry (replaced Councillor Murphy)

Substitute: Councillor M. Statham (replaced Councillor Elson)

Special Interest Group of Municipal Authorities (SIGOMA)

Councillor M. Statham

(c) Merrions Wood Charity (until July, 2028)

Councillor S. Singh Sohal

33. **Scrutiny Annual Report**

The Scrutiny Annual Report was presented to Council.

Councillor Murray highlighted the work of the Council's Overview and Scrutiny Committee and thanked elected Members, Officers, Partners, and Democratic Services for their support during the year. Councillor Murray informed Members

of a Scrutiny training session on 16 July, 2024, and welcomed all Members to attend.

It was **moved** by Councillor Murray, seconded by Councillor Hicken and:

Resolved

That the Scrutiny Annual Report be noted.

34. **Portfolio Holder Briefings**

Leader of the Council

Councillor Perry gave a presentation.

Members asked questions in relation to the presentation which were responded to by Councillor Perry.

The meeting terminated at 6.39 p.m.

Mayor:

Date:

Establishment of Appointments Panel

1. Aim

- 1.1 To improve the efficiency of the governance of the council by disestablishing Personnel Committee and creating an Appointments Panel.

2. Summary

- 2.1 Establishing an Appointments Panel, to replace Personnel Committee, ensures that members have a focused role in dealing with senior appointments and dismissals of Chief Officers and Deputy Chief officers. The Panel will also manage business that a council side committee is statutorily required to deal with which cannot be the function of the Executive or Scrutiny.
- 2.2 Should a Panel be established, the Executive will receive personnel policies and procedures which do fall within its powers.
- 2.3 The Director of Human Resources, Organisational Development and Administration will also determine matters under delegated powers, in consultation with the Leader and relevant Portfolio Holder.

3. Recommendations

- 3.1 That Council:-
 - 1. Dissolves Personnel Committee;
 - 2. Establishes an Appointments Panel and approves the terms of reference as set out in Appendix 1 of this report;
 - 3. Approves an amendment to the Constitution to reflect the changes set out in 1 and 2 above.
 - 4. Appoints members to the Appointments Panel as detailed in paragraph 5.4
 - 5. Appoints the Leader of the Council as Chair and Associate Leader as Vice Chair.
 - 6. Establishes 2 Employment Appeal Sub Committees and agrees the membership including Chairs and Vice Chairs detailed in paragraph 5.6.

4. Know

- 4.1 This recommendation follows analysis of the business managed by Personnel Committee Meetings over the previous 24 months. It is also aligned to recommendation 11 of the LGA Peer Review in relation to ensuring internal process is as efficient as it can be.
- 4.2 Recommendation 11 of the LGA Peer Review stated, that, *“There is potential for the council to free up capacity within the organisation by simplifying some processes, including report approvals and recruitment processes. This would support capacity to be best aligned to priorities. This should also consider the channels and processes used for sharing information with and resolving issues raised by elected members. This would be welcomed by both officers and members and would free up capacity that is currently being spent resolving these matters elsewhere.”*
- 4.3 The changes proposed would ensure that personnel business is managed as effectively and efficiently as possible, meaning only items of significance are considered by the Appointments Panel. Cabinet would approve policy and there could be a role for overview and scrutiny in developing and reviewing policy. Appendix 2 provides some detail as to the decision-making process, should Council agree to disestablish Personnel and establish an Appointment Panel.

5. Background

- 5.1 The current Personnel Committee was established by the Council at its meeting held on 23rd May 2016. Prior to the establishment of the Personnel Committee, the Council structure included an Appointments Board which had broadly similar functions to the current Personnel Committee. Two Employment Appeal sub-committees are established by Personnel Committee each municipal year to hear employee appeals against dismissal. Due to the recent formation of a new political group, political balance is 6 Conservative, 2 Labour, and 1 Walsall Independent Group. The Chair of the Personnel Committee receives an additional Special Responsibility Allowance (SRA) of £5882. Employment Appeal Sub-Committees consist of 7 members. Each Chair receives an SRA of £5,882.
- 5.2 Seven meetings of Personnel Committee are scheduled into the timetable of meetings each year by annual council. In 2022/2023, an additional 2 meetings were held taking the total to 9. In 2023/24 there were 9 meetings in the municipal year. Employment Appeals Sub-Committees take place as and when required but there are usually less than 4 a year across both Sub-Committees.
- 5.3 Personnel business can be broadly split into four sections - Recruitment, Pay, Policy and ‘other’ such as Recruitment & Retention Activity in the Fostering Service. The duration of meetings very much depends on the nature of item(s) being considered. However, a number of meetings less than 10 minutes.

- 5.4 The Appointments Panel would comprise of a membership of 7 members which would include: The Leader of the Council (as Chair), Statutory Deputy Leader of the main political group (as vice chair), the Leaders of the Opposition groups and 3 other members appointed by council to reflect political balance which is 4 Conservative, 2 Labour, and 1 Walsall Independent Group. Membership is proposed as follows:-

Conservative (x4)	Labour (x2)	Walsall Independent Group (x1)
G. Perry	M. Ward	A. Nawaz
A. Andrew	T. Jukes	
P. Gill		
A. Hicken		

- 5.5 The proposed terms of reference of this Committee are set out at Appendix 1 of this report.

Employment Appeals Committees

- 5.6 Personnel Committee established 2 employment appeal sub committees. It is proposed that Council reestablishes these as Appointments Board sub-committee retaining the same membership and chairs / vice chairs, as follows:-

Employment Appeals Sub-Committee A	Employment Appeals Sub-Committee B
Chair: Councillor Gill Vice-Chair: Councillor A. Hussain Conservative x 4 seats: Councillors Cooper, A. Hussain, Gill and one vacancy. Labour x 2 seats: Councillors Russell and Margetts. Independent Group x 1 seat: Councillor Nawaz.	Chair: Councillor Whitehouse Vice-Chair: Councillor Martin Conservative x 4 seats: Councillors I. Hussain, Martin, Rasab and Whitehouse. Labour x 2 seats: Councillors S. Hussain and Coulson. Independent Group x 1 seat: Councillor Gultasib.

6. Financial information

- 6.1 Should the Leader be appointed Chair, this would save £5,882 per year as members can only claim 1 Special Responsibility Allowance.

7. Legal Implications

- 7.1 Under s101 Local Government Act 1972 a local authority may arrange for the discharge of any of its functions by a committee, a sub-committee or an officer of the authority; or by any other local authority. The council therefore determines the structure it wants to manage its business. Walsall MBC, operates the Leader and Cabinet model of governance. The 2000 Act (and Statutory Instruments made under it) allocate responsibility for discharging an authority's 'functions' when operating Executive Arrangements.
- 7.2 Council-side and Local Choice functions are listed in a series of over a dozen Statutory Instruments made under the 2000 Act, section 13 of the 2000 Act gives effect to this position by providing that, ***"... any function of a local authority which is not specified in ... [the Functions Regulations] ... is to be the responsibility of an executive of the authority under executive arrangements."***
- 7.3 Appointments Panel is a politically balanced council committee and it will be responsible for matter which are council side functions (as opposed to Executive (Cabinet) functions). The power for local authorities to appoint staff falls under section 112 of the Local Government Act 1972 . Officers appointed under this section 'shall hold office on such reasonable terms and conditions, including as to remuneration' as the appointing authority 'think fit' (section 112(2)). Schedule 1 of "The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 ('the 2000 Regulations') "makes the power to appoint staff under section 112 of the 1972 Act a Council-side function.
- 7.4 The Local Authorities (Standing Orders) (England) Regulations 2001 (as amended by the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 and 2015) (together, 'The Standing Orders Regulations') require that the function of appointing, dismissing, or taking disciplinary action against an officer below deputy Chief Officer level must be discharged on behalf of the Council by the Head of Paid Service (the Chief Executive), or by an officer nominated by him. The Council's Staff Employment Procedure Rules are compliant with The Standing Orders Regulations. None of the Functions Regulations refer to section 111 of the 1972 Act. Accordingly, the default position set out in section 13(2) of the 2000 Act applies and the power to approve Human Resources Policies and Procedures rests with the Executive.

8. Decide

8.1 There are two options available to the Council:

- a. Council establishes an Appointment Panel as set out in Appendix 1 of this report;
or
- b. the Council continues to operate a Personnel Committee.

9. Respond

9.1 Should the Council agree the recommendations then the Appointments Board would be formally established and elected members sitting on the Board would receive any training required to undertake the role. The Executive will resume responsibility for Human Resources policy and forthcoming decisions would be included on the Forward Plan.

9.2 If the Council does not support the recommendations the status quo will continue with the Personnel Committee continuing to make decisions on senior officer appointments and Human Resources policies.

10. Review

10.1 This change will be subject to normal periodic reviews of the constitution, including the annual review, to ensure that the council's governance is fit for purpose.

Background papers:

None

Authors:

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Neil Picken, Principal Democratic Services Officer

9. APPOINTMENTS PANEL

Membership

7 Members of the authority as determined by the Council but to include the Leader of the Council as Chair; the Associate Deputy Leader as Vice Chair and Leaders of the Opposition Group(s).

Substitutes

Substitute members may be nominated to the Committee in accordance with paragraph 4 of the Council procedure rules (Part 4), subject to them having undertaken the relevant training as detailed below.

Chairman and Vice-Chairman

The Chairman and Vice-Chairman will be appointed at the Annual Council meeting for the municipal year.

Quorum

The quorum of the Committee shall be one third of the membership, subject to a minimum of two.

Meetings

The Committee will meet as and when required, meetings usually held at the Council House, Walsall at 6.00 p.m.

Access to information

The Committee will comply with the Access to Information Rules set out in Part 4 of the Constitution.

Training

All members of the Appointments Panel shall be required to attend a training session on employment law (in relation to both appointing and dismissing), the Council's internal procedures and remit relating to dismissals prior to sitting on the Committee for the first time and subsequently to attend refresher training annually thereafter.

Delegations

- (1) To act as the Committee which makes recommendations to Council on the appointment of the Head of the Paid Service, the Chief Executive.

- (2) To determine the appointment of Chief Officers/Deputy Chief Officers as defined within Article 10 of the Constitution and within the Local Authorities (Standing Orders) (England) Regulations 2001, following the provisions thereof, particularly in relation to the well founded objection procedure, in accordance with the Employment Procedure Rules, as set out at Part 4.6 of the council constitution.

(Note: The appointment and dismissal of the Director of Public Health will be subject to consultation with Public Health England.)

- (3) To consider and determine appeals against dismissal submitted by employees at all levels in the context of the application of the relevant procedure or for claims of unfair or unduly severe sanctions only, in accordance with the policies approved by the Council (save for appeals in respect of decisions taken by the Appointments Panel, or in circumstances where the Appointments Panel reasonably believes that it is not appropriate for it to deal with any appeal due to a conflict of interests, in which case, responsibility for hearing such appeal shall be heard by a committee constituted for the purposes of hearing that appeal or an existing appeal committee as appropriate.
- (4) To approve the remuneration levels (other than those associated with the National Pay Awards) for the Chief Executive, Executive Directors and Directors.
- (5) To act as the Committee which considers and determines matters relating to the conduct, capability and/or dismissal of Chief Officers/Deputy Chief Officers as defined in (2) above in accordance with the provisions of the Local Authorities (Standing Orders) (England) Regulations 2001, save for relevant officers (as defined in Schedule 3 of the Local Authorities (Standing Orders) (England) Regulations 2001, as amended as set out at Part 4.6 of the council constitution) which are dealt with below.
- (6) To act as the Committee which considers and determines matters relating to the conduct, capability and/or dismissal of relevant officers (as defined in Schedule 3 of the Local Authorities (Standing Orders) (England) Regulations 2001, as amended). However, in circumstances where dismissal is being considered, the Committee shall include two independent persons and no decision to dismiss shall be taken by the Committee until any dismissal is approved by Council (please see the Officer Employment Procedure Rules for further details).
- (7) To act as the Committee which considers and determines any grievances where the Chief Executive reasonably determines that it is not appropriate for an officer to consider and determine such grievance. Where the Appointments Panel reasonably believes that it is not appropriate for it to deal with any appeal due to a conflict of interests, responsibility for hearing such appeal shall be heard by a committee constituted for the purposes of hearing that appeal or an existing appeal committee as appropriate.

- (8) To act as the Committee which considers and determines any suspensions where the Chief Executive reasonably determines that it is not appropriate for the Chief Executive to deal with such issues. In circumstances, where the Personnel Committee reasonably believes that it is not appropriate for it to deal with any appeal due to a conflict of interests, responsibility for considering and determining suspension shall be heard by a committee constituted for the purposes of hearing that appeal or an existing appeal committee as appropriate.
- (9) To suspend and, where appropriate, take any disciplinary action short of dismissal in relation to the Chief Finance Officer (s.151 Officer) and the Monitoring Officer.
- (10) To recommend Council on the designation of the Monitoring Officer and the Chief Finance Officer.
- (11) To consider policies for approval by the Council on the exercise of its functions under the Local Government Pension Scheme and the Teachers' Pensions Scheme.
- (12) To determine remuneration and severance packages for employees in excess of £100,000.
- (13) To appoint Sub-Committees to deal with appointments and appeals.
- (14) To approve the Council's draft Pay Policy Statement prior to recommendation to full Council for approval and adoption and to keep under review the consistent and lawful application of the Councils Pay Policy and publication requirements.

Decision Making

Item	Appointments Panel	Cabinet	Council	Delegated to Director of HR in consultation with Leader/relevant Portfolio Holder
Policies				
Pay Policy Statement and living Wage			X	X (minor only)
Alcohol and Drugs Testing		X		X (minor only)
Schools Model Pay Policy / Unattached Teachers Pay		X	X (as part of budget setting)	X (minor only)
Family Friendly		X		X (minor only)
Customer Focused Ways of Working		X		X (minor only)
Flexible Retirement		X		X (minor only)
Ways of Working and Right to Request Flexible Working		X		X (minor only)
Transgender & Non-binary Equality		X		X (minor only)
Sickness Absence		X		X (minor only)
New Policies		X		

Item	Appointments Board	Cabinet	Council	Delegated to Director of HR in consultation with Leader/relevant Portfolio Holder
Pay and conditions				
Soulbury Pay Scale for Educational Psychologists		X		
Chief Officers Leave		X		
Government Guidance in respect of Special Severance Payments		X		
Chief/ED and Director Pay	X			
Permanent Appointments				
Authority to recruit				X
Shortlisting	X			
Interview	X			
Recruitment Permanent Chief Executive	X		X	
Interim Appointments				
Authority to recruit				X
Shortlisting				X
Interview	X			

Item	Appointments Board	Cabinet	Council	Delegated to Director of HR in consultation with Leader/relevant Portfolio Holder
Miscellaneous				
Establishing Employment Appeals Cttee 'A' and 'B'	X			
Annual Health & Safety Report		X		
Update on Promotional Recruitment Activity in the Fostering Service		X		

Cabinet – 17 July 2024

Treasury Management Annual Report 2023/24

Portfolio: Councillor Statham, Portfolio Holder for Finance

Related portfolios: N/A

Service: Finance

Wards: All

Key decision: No

Forward plan: Yes

1. Aim

- 1.1 The council is required through regulations issued under the Local Government Act 2003 to produce a year end position statement reviewing treasury management activities and prudential and treasury indicator performance. The Annual Treasury Management Report at Appendix A provides Cabinet with these details, and meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 1.2 The council is required to note the Annual Treasury Management Report is presented to provide assurance that Treasury Management performance is in line with budgeted expectations and within the above regulations and Codes that the authority is required to comply with.

2. Summary

- 2.1 This report sets out the council's 2023/24 year end position for treasury management activities (Appendix A).
- 2.2 The council achieved an average interest rate across all investments of 4.83% compared to a budget of 4.54% during 2023/24 which in monetary terms this equates to an overachievement against budget of £1.685m. At the point of budget setting the Bank of England base rate was 3.00% following a period of successive interest rate increases (7 increases in 11 months). Interest rate forecasts were suggesting further gradual rises in short, medium and longer term interest rates to a peak of 4.50% in June 2023. However, by May 2023 it had become clear that inflation was sticking and further rate hikes were necessary. From December 2022 to November 2023 the Bank of England increased base rate 8 times, from 3.00% to a peak of 5.25%. The increase in rate had a direct impact on investment returns

as we were able to place funds in short-term deposits at very good rates compared to budget, ensuring a significant underspend on investment income.

- 2.3 In such a high interest rate environment the borrowing strategy during 2023/24 has been to delay approved long-term borrowing until needed to minimise interest costs, £15.000m from a budgeted borrowing amount of £40.843m has been borrowed during the year to support capital programme expenditure, this has been managed through careful cashflow forecasting and planning.
- 2.4 Capital expenditure for 2023/24 was £91.230m of which £22.722m will be funded from approved borrowing (Table 2, Appendix A).
- 2.5 The actual debt position for the Council as at 31 March 2024 is £248.899m, which is within both the operational and authorised limits for external debt approved by Council on 23/02/23. Borrowing overall decreased by £16.692m since 2022/23, new borrowing of £15.000m was undertaken and there have been long term Public Works Loan Board (PWLb) maturities of £30.000m, the balance of £1.692m relates to historical other local authority debt movements. The Council is showing an under borrowed position of £148.740m compared to the Capital Financing Requirement (CFR), this represents additional external borrowing the council could choose to take if required. This is currently financed by internal borrowing (utilising cash reserves rather than taking external borrowing).

3. Recommendations

- 3.1 To note and forward to Council, for consideration and noting (in line with the requirements of the Treasury Management Code of Practice (2021)), the Annual Treasury Management Report 2023/24 including prudential and local indicators (Appendix A).

4. Report detail - know

Context

- 4.1 The Annual Treasury Management Report at Appendix A provides Cabinet with a summary of the year end position for 2023/24 and prudential and treasury indicator performance, and meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

The following key points of interest have been extracted from the report:

- The annual report meets the requirement of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities.
- Capital expenditure was £91.230m of which £22.722m will be funded from approved borrowing (Table 2, Appendix A).

- The Bank of England base rate increased from 3.00% to 5.25% between December 2022 and August 2023, which enabled the Council to benefit from improved investment returns.
- The authority has continued to identify appropriate new areas of investment opportunity, reviewed counterparties and limits to reduce exposure to counterparty risk. Together these actions have led to an overachievement of investment income of £1.685m compared to budget for the 2023/24 financial year.
- To note within the local indicators (Table 11) that the net borrowing cost as a percentage of net council tax requirement of 2.31% (3a) and the net borrowing cost as percentage of tax revenue of 1.55% (3b) are both within their target upper limits of 20% and 12.50% respectively.

Council Corporate Plan priorities

- 4.2 Sound financial management of the council's cash balances supports the delivery of council priorities within council's available resources.

Risk management

- 4.3 Treasury management activity takes place within a robust risk management environment, which enables the council to effectively maximise investment income and minimise interest payments without undue or inappropriate exposure to financial risk. It is recognised that the management of risk is as important as maximisation of performance and it is essential that the council has the right balance of risk and reward when making investment decisions. This is supported by treasury management policies which seek to manage the risk of adverse fluctuations in interest rates and safeguard the financial interests of the council.

Financial implications

- 4.5 Treasury management activity forms part of the council's financial framework and supports delivery of the medium term financial strategy. The review of treasury management performance and activity is reviewed through both the annual treasury management report and the mid-year performance review report.

Legal implications

- 4.6 The council is required to have regard to the Prudential Code under the duties outlined by the Local Government Act 2003. One requirement of the Prudential Code is that the council should comply with the CIPFA Code of Practice for Treasury Management. The council adopted the original treasury management code in 1992 and further revisions to the Code in 2002, 2010, 2017 and 2021.

Procurement Implications/Social Value

- 4.7 None directly relating to this report.

Property implications

4.8 None directly relating to this report.

Health and wellbeing implications

4.9 None directly relating to this report.

Staffing implications

4.10 None directly relating to this report.

Reducing Inequalities

4.11 None directly relating to this report.

Climate Change

4.12 None directly relating to this report.

Consultation

4.13 The report has been approved by the finance treasury management panel, an internal governance arrangement comprising the Director of Finance and Assurance (S151 Officer) and Head of Finance (Deputy S151).

5. Decide

5.1 In line with the Treasury Management Code of Practice (2021) there are a number of reports that are required to be produced and reported publicly each year. The Annual Treasury Management Report forms one of these requirements and as such is being reported to Cabinet for noting and forwarding onto Council for consideration.

6. Respond

6.1 This report is not seeking approval of a decision, in line with the Treasury Management Code of Practice (2021) it is required to be reported for noting and forwarding to Council for consideration.

7. Review

7.1 In line with Treasury Management Code of Practice (2021) this is a backward looking document looking at performance over the previous.

Background papers

Various financial working papers.

Corporate budget plan and treasury management and investment strategy 2023/24 – Council 23/02/23.

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Shaun Darcy
Director of Finance & Assurance

08.07.2024



Councillor Statham
Portfolio holder for Finance

08.07.2024

Appendix A

Annual Treasury Management Report 2023/24

Walsall Council

June 2024

Purpose.....	7
Summary.....	8
1. Introduction and Background.....	9
2. The Council's Capital Expenditure and Financing.....	9
3. The Councils Overall Borrowing Need.....	10
4. Prudential Indicators.....	13
5. Treasury Position at 31st March 2024.....	155
6. The Borrowing Strategy for 2023/24 and Economic Context.....	16
7. Borrowing Outturn for 2023/24.....	16
8. Investments in 2023/24 and Economic Context.....	18
9. Performance Measurement.....	20
10. The Economy and Interest Rates.....	22

Annual Treasury Management Report 2023/24

Purpose

This council is required through regulations issued under the Local Government Act 2003 to produce an annual treasury report reviewing treasury management activities and prudential and treasury indicator performance. This document therefore reports this position for the 2023/24 financial year. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2023/24 the following reports were produced:

- an annual treasury strategy in advance of the year (Council 23 February 2023)
- a mid-year (minimum) treasury update report (Cabinet 13 December 2023)
- an annual review of treasury management policies in advance of the year (Council 23 February 2023)
- an annual report following the year describing the activity compared to the strategy (this report to Cabinet)

In addition, this council's treasury management panel has received regular treasury management update reports throughout 2023/24.

The regulatory environment places an onus on members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the council's policies previously approved by members.

This council also confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by Cabinet before they were reported to the full Council. Member training on treasury management issues was undertaken during the year on 5 December 2023 in order to support members' scrutiny role.

Summary

During 2023/24, the council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Table 1 Actual prudential and treasury indicators	2022/23 Actual £m	2023/24 Original £m	2023/24 Revised £m	2023/24 Actual £m
Capital expenditure	96.314	115.270	144.290	91.230
Capital Financing Requirement:				
Including PFI and finance leases	390.185			399.974
Excluding PFI and finance leases	387.252			397.639
External Borrowing	265.592			248.899
Investments	140.771			86.446
Net borrowing	124.821			162.453

Other prudential and treasury indicators are to be found in the main body of this report. The Director of Finance and Assurance (S151 Officer) confirms that borrowing was only undertaken for capital purposes or to support required in year cash-flow requirements and the statutory borrowing limit was not breached.

Following a period of high and rising inflation the Bank of England engaged in monetary policy tightening at every Monetary Policy Committee meeting during 2022, and into 2023, either by increasing Bank Rate by 0.25% or 0.50% each time. From December 2021 to August 2023 Bank Rate has increased from 0.25% to 5.25%, and this has had a direct impact on investment returns. Counterparty risk has been continually reviewed throughout the financial year to ensure credit ratings exceed the minimum requirements set in Treasury Management policies, and cash was invested primarily in at-call and short-term accounts to ensure the council was taking account of a rising interest rate environment.

The original capital expenditure target of £115.270m for 2023/24 is based on the figure for the 2023/24 capital programme reported in the budget report presented to full Council on the 23 February 2023, and was revised within the financial year to a £144.290m. The actual spend for 2023/24 is lower than the target due to slippage, and amendments to the original capital programme agreed during the year, of which spend will now be incurred in 2024/25.

1. Introduction and background

To set the context of the treasury management environment it is first necessary to provide a review of the economy and interest rates.

Interest rate forecasts initially suggested further gradual rises in short, medium and longer-term fixed borrowing rates during 2023/24. Bank Rate had initially been forecast to peak at 4.5% but it is now expected to have peaked at 5.25%.

By January it had become clear that inflation was moving down significantly from its 40-year double-digit highs, and the Bank of England signalled in March 2024 that the next move in Bank Rate would be down, so long as upcoming inflation and employment data underpinned that view. As at 5th April 2024 the CPI measure of inflation stands at 3.4% but is expected to fall materially below 2% over the summer months and to stay there in 2025 and 2026. Nonetheless, there remains significant risks to that central forecast, mainly in the form of a very tight labour market putting upward pressure on wages, and continuing geo-political inflationary risks emanating from the prevailing Middle East crisis and the Russian invasion of Ukraine.

2. The Council's Capital Expenditure and Financing 2023/24

The council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc., which has no resultant impact on the council's borrowing need); or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed. The amount to be funded from borrowing for 2023/24 will be £22.722m. It shows a variance to budget due to slippage on some capital projects.

Table 2	2022/23 Actual £m	2023/24 Original £m	2023/24 Actual £m
Total capital expenditure	96.314	115.270	91.230
Resourced by:			
• Capital receipts	3.314	1.500	1.936
• Capital grants	61.697	48.410	64.334
• Capital Reserves and Revenue	2.779	0.020	2.238
• Approved Borrowing	28.521	65.340	22.722
	96.314	115.270	91.230

3. The Council's Overall Borrowing Need

The council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the council's debt position. The CFR results from the capital activity of the council and which resources have been used to pay for the capital spend. It represents the 2023/24 capital expenditure funded by borrowing (see table 2), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

Part of the council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the council's cash position to ensure sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board (PWLB) or the money markets), or utilising temporary cash resources within the council.

Reducing the CFR – the council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The council is required to make an annual revenue charge, called the minimum revenue provision (MRP) to reduce the CFR. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

The total CFR can be reduced by:

- the application of additional capital financing resources (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a voluntary revenue provision (VRP).

The Council's 2023/24 MRP Policy, (as required by DLUHC Guidance), was approved as part of the Treasury Management Strategy Report for 2023/24 on 23 February 2023.

The council's CFR for the year 2023/24 is shown below in Table 3, and represents a key prudential indicator (PrI4). It includes Private Finance Initiative (PFI) and leasing schemes from the balance sheet which increase the council's borrowing need – although no borrowing is normally required against these schemes as a borrowing facility is included in the contract (if applicable). It shows that in 2023/24 the council's CFR has increased by £9.791m from £390.185m to £399.976m.

Table 3 CFR (£m)	31 March 2023 Actual £m	31 March 2024 Actual £m
Opening balance	374.499	390.185
Add capital expenditure funded from approved borrowing (as above)	28.475	22.722
Less MRP	(12.789)	(12.931)
Closing balance	390.185	399.976

The borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.

Gross borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term the council's external borrowing, net of investments, must only be for a capital purpose, or to fund expected in year cash-flow requirements. This essentially means that the council is not borrowing to support revenue expenditure. Net borrowing should not therefore, except in the short term, have exceeded the CFR. Table 4 below highlights the council's net borrowing position of £162.453m against the CFR excluding PFIs and Finance leases (excluded because the debt liability for these are not in the net borrowing position of the council) of £397.639m. The council has complied with this prudential indicator.

Table 4 Gross borrowing and the CFR (£m)	31 March 2023 Actual £m	31 March 2024 Actual £m
Gross Borrowing	268.273	250.771
Net borrowing position	124.821	162.453
CFR – excluding PFIs and Finance Leases	387.252	397.639
Long term Assets	657.389	679.072
Net Borrowing % of Long term Assets	18.99%	23.92%

Another measure of prudence is the proportion of net borrowing to long term assets. Table 4 shows that the net borrowing position of the council as at 31 March 2024 is £162.453m which represents 23.92% of the value of the council's long term assets which are valued on the council's balance sheet at that date.

Other key Prudential Indicators are shown in Table 5 below:

Table 5 Prudential and Borrowing Limits	31 March 2023 Actual £m	31 March 2024 Actual £m
1. Authorised limit	474.376	465.410
2. Maximum gross borrowing in year	328.971	268.273
3. Operational boundary	431.251	423.100
4. Average gross borrowing	300.331	259.522
5. Financing costs as proportion of net revenue stream	4.05%	4.88%

- 1. The authorised limit** - the authorised limit is the “affordable borrowing limit” set by the council as required by section 3 of the Local Government Act 2003. The council does not have the power to borrow above this level without the prior approval of full Council. Table 5 demonstrates that during 2023/24 the council’s maximum gross borrowing was within its authorised limit.
- 2. Maximum Gross borrowing** – is the peak level of borrowing in year.
- 3. The operational boundary** – the operational boundary is the expected borrowing position of the council during the year. Periods where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached. In 2023/24 the council’s average borrowing position was less than the operational boundary.
- 4. Average Gross Borrowing** – is an estimate of the borrowing level in the year (see Table 7 for analysis of Borrowing).
- 5. Actual financing costs as a proportion of net revenue stream** - this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream. Net revenue stream is defined as Net Council Tax Requirement plus Standard Spending Assessment (previously Formula Grant).

4. Prudential Indicators

The following tables show performance against statutorily required prudential and local indicators.

Table 6 – Prudential Indicators		Actual 2022/23	Target 2023/24	Position 31-Mar- 24	Variance to target	
		£m	£m	£m	£m	%
Prl 1	Capital Expenditure	96.314	144.290	90.760	(53.530)	(37%)
Prl 2	Ratio of financing costs to net revenue stream	4.05%	8.86%	4.88%	(3.98%)	(45%)
Prl 3	Estimates of the incremental impact of new capital investment decisions on Council Tax	£43.02	£89.66	£89.66	0.00	0%
Prl 4	Capital Financing Requirement	390.185	433.114	399.976	33.138	7.6%
Prl 5	Authorised Limit for external debt	474.380	465.410	465.410	0.000	0%
Prl 6	Operational Limit for external debt	431.250	423.100	423.100	0.000	0%
Ref	Prudential Indicator	Actual 2022-23 £m		Target 2023/24 £m	Position 31- Mar-24 £m	
Prl 7	Gross Borrowing exceeds capital financing requirement	No		No	No	
Prl 8	Authority has adopted CIPFA Code of Practice for Treasury Management	Yes		Yes	Yes	
Prl 9	Total principle sums invested for longer than 365 days must not exceed	5.0		25.0	0.0	
Ref	Prudential Indicator	Upper Limit	Lower Limit	Actual 2022/23	Position 31-Mar-24	
Prl 10	Fixed Interest Rate Exposure	95%	40%	98.14%	88.03%	
Prl 11	Variable Interest Rate Exposure	45%	0%	1.86%	11.97%	
Prl 12	Maturity Structure of Borrowing:					
	Under 12 months	25%	0%	12.84%	12.85%	
	12 months and within 24 months	25%	0%	12.24%	3.95%	
	24 months and within 5 years	40%	0%	20.25%	24.69%	
	5 years and within 10 years	50%	5%	0%	0%	
	10 years and above	85%	30%	54.67%	58.51%	

PRL 5 (authorised limit for external debt) and **PRL 6** (operational limit for external debt) were approved by Council on the 23 February 2023 and the CIPFA Code of Practice only allows these limits to be changed by Council and therefore the actual limit and the target remain the same. The gross debt position for the Council as at 31 March 2024 is £250.771m.

Key variances are because of the following reasons:-

PRL 1 Total capital expenditure - variation of £139.196m

The original £115.270m target for 2023/24 is based on the figure for the 2023/24 capital programme reported in the budget report presented to full Council on the 23 February 2023. This was revised within the financial year to a £144.290m target. The actual spend for 2023/24 is lower than the target due to slippage from 2023/24, and amendments to the original capital programme agreed during the year, of which spend will now be incurred in 2024/25.

PRL 4 Capital Financing Requirement – variation of £33.138m

The Capital Financing Requirement is in line with capital expenditure, with the variation linked to capital slippage as above.

PRL 12 Maturity Structure of Borrowing

For the purpose of the maturity profile indicator the next call date on a LOBO loan is assumed as it is the right of the lender to require repayment. This Prudential Indicator currently shows 0% of borrowing maturities within periods 5-10years when compared to the lower limit of this indicator of 5.00%. This is due to there being no loan repayments due between 2029-2044 as the council utilised internal borrowing for periods of time where cash flow allowed meaning the maturity profile of debt is not evenly spread. This provided a favourable return at that time between external borrowing rates payable and return on investments that would be deliverable. Whilst there are no scheduled maturities the council will continue to use this period to review options to repay any existing borrowing early.

5. Treasury Position at 31 March 2024

The council's debt and investment position is organised by the treasury management team in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through Member reporting detailed in the summary, and through officer activity detailed in the council's treasury management practices. At the beginning and the end of 2023/24 the council's treasury position was as shown below in **Table 7**:

Table 7 Loans and Investments	Opening Balance £m	Average Rate At 31/03/23 %	Movement in Year £m	Closing Balance £m	Average Rate At 31/03/24 %
PWLB loans	174.365	3.55%	(19.950)	154.415	3.81%
Market Loans	75.000	4.75%	-	75.000	4.75%
Temporary Loans (LT)	-	-	15.000	15.000	4.40%
Total Borrowing over 12 months excluding WMCC debt	249.365	3.91%	(4.950)	244.415	4.13%
Temporary Loans	10.459	1.63%	(10.000)	0.459	2.75%
Total borrowing excluding WMCC debt	259.365	3.82%	(14.950)	244.874	4.13%
WMCC Debt	8.449	5.35%	(2.553)	5.897	5.14%
Gross Borrowing	268.273	3.3.87%	(17.503)	250.771	4.16%
Waste Disposal	(2.682)	5.35%	0.810	(1.872)	5.14%
Borrowing	265.592	3.85%	(16.692)	248.899	4.15%
CFR less PFI finance & leases	387.252		10.387	397.639	
Under/(Over) Borrowing	121.660		27.079	148.740	
Debt as % of CFR	69%			63%	
Call Accounts	47.771	2.05%	(0.674)	48.446	4.92%
Short Term Investments	58.000	1.82%	(50.000)	8.000	4.97%
Long Term Investments	35.000	2.36%	(5.000)	30.000	4.73%
Total Investments	140.771	2.11%	(54.325)	86.446	4.83%
Net Borrowing Position	124.821		37.633	162.453	

The under borrowing position represents additional external borrowing the council could choose to take if required, however this has currently been financed by internal borrowing (utilising the Council's accumulated cash reserves rather than taking out new external borrowing). This position will continue to be monitored and additional external borrowing may be undertaken if required for cash flow purposes.

6. The Borrowing Strategy for 2023/24 and Economic Context provided by Link Asset Services (the council's external Treasury advisor)

During 2023/24, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow was used as an interim measure.

This strategy was prudent as although near-term investment rates were equal to, and sometimes higher than, long-term borrowing costs, the latter are expected to fall back through 2024 and 2025 as inflation concerns are dampened. The Council has sought to minimise the taking on of long-term borrowing at elevated levels (>4%) and has focused on a policy of internal and temporary borrowing, supplemented by short-dated borrowing (<5 years) as appropriate.

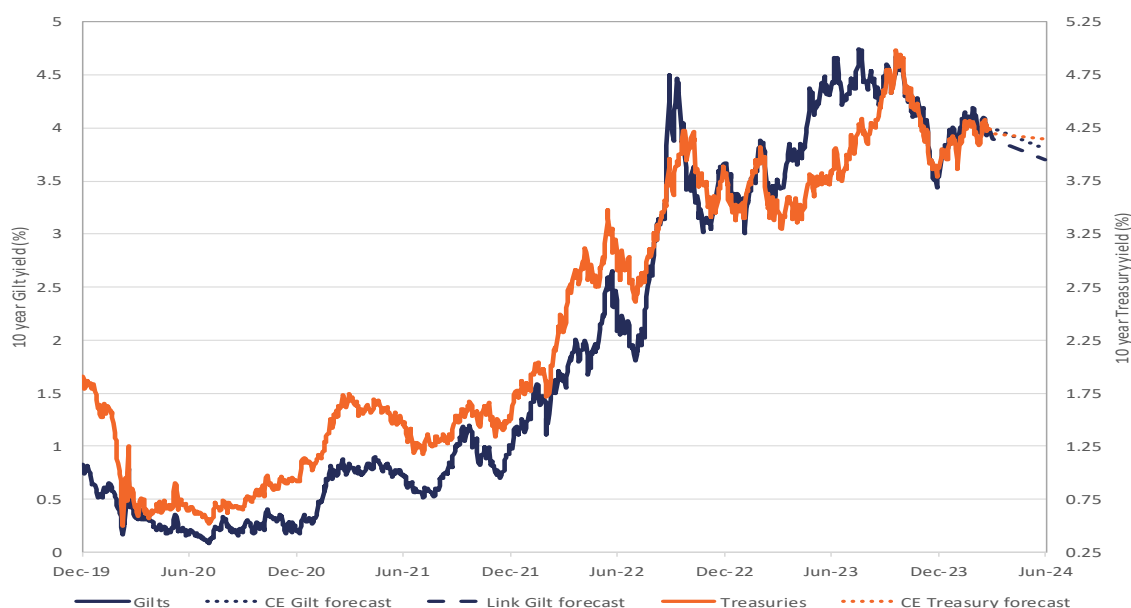
7. Borrowing Outturn commentary for 2023/24 provided by Link Asset Services (the council's external Treasury advisor)

PWLB rates are based on gilt (UK Government bonds) yields through HM Treasury determining a specified margin to add to gilt yields. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields. Inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation and the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers. This means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last 30 years. Indeed, in recent years many bond yields up to 10 years in the Eurozone turned negative on expectations that the EU would struggle to get growth rates and inflation up from low levels. In addition, there has, at times, been an inversion of bond yields in the US whereby 10-year yields have fallen below shorter-term yields. In the past, this has been a precursor of a recession.

However, since early 2022, yields have risen dramatically in all the major developed economies, first as economies opened post-Covid; then because of the inflationary impact of the war in Ukraine in respect of the supply side of many goods. In particular, rising cost pressures emanating from shortages of energy and some food categories have been central to inflation rising rapidly. Furthermore, at present the FOMC (Federal Open Market Committee), ECB (European Central Bank) and Bank of England are all being challenged by levels of persistent inflation that are exacerbated by very tight labour markets and high wage increases relative to what central banks believe to be sustainable.

Graph of UK gilt yields v. US treasury yields

Gilt yields have been on a continual rise since the start of 2021, peaking in the autumn of 2022. Currently, yields are broadly range bound between 3% and 4.25%.



Gilt yields have generally been on a continual rise since the start of 2021, peaking in the autumn of 2023. Currently, yields are broadly range bound between 3.5% and 4.25%. At the close of the day on 28 March 2024, all gilt yields from 1 to 50 years were between 3.81% and 4.56%, with the 1 year being the highest and 6-7 years being the lowest yield.

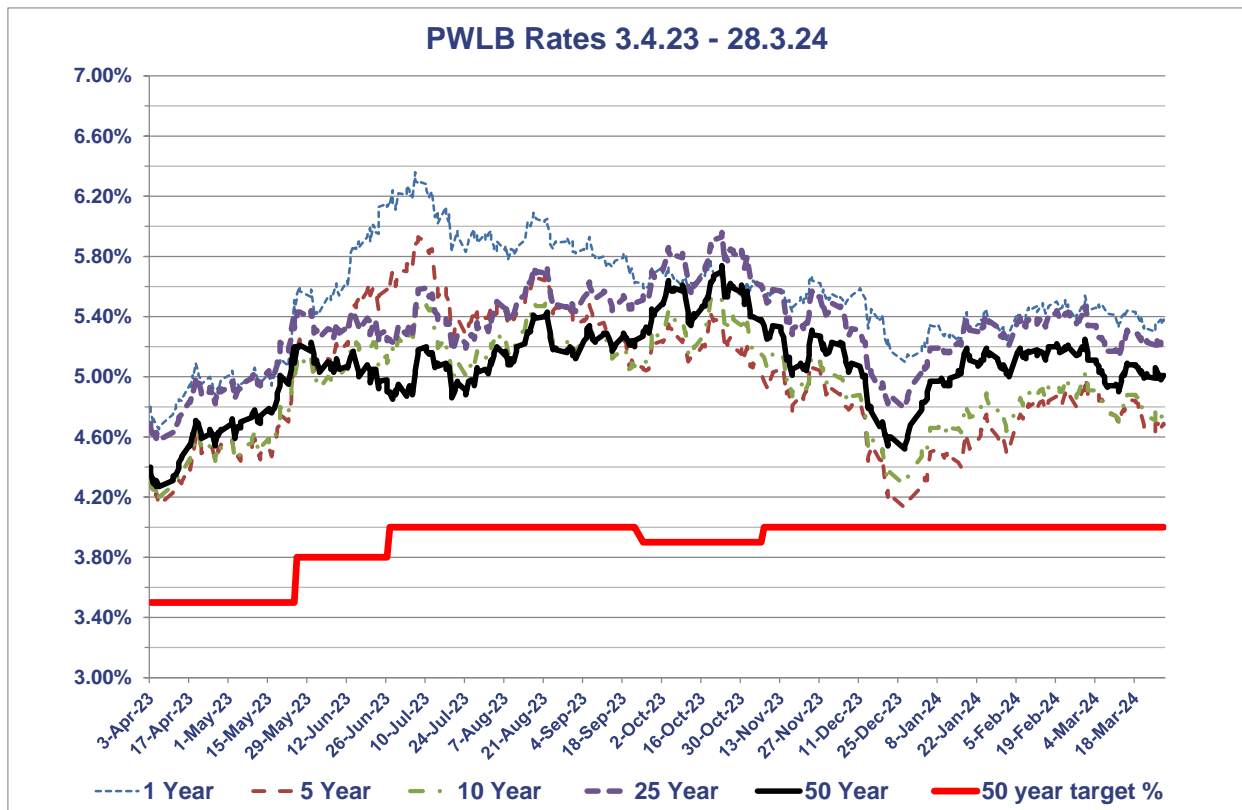
Regarding PWLB borrowing rates, the various margins attributed to their pricing are as follows: -

- PWLB Standard Rate is gilt plus 100 basis points (G+100 basis points)
- PWLB Certainty Rate is gilt plus 80 basis points (G+80 basis points)
- Local Infrastructure Rate is gilt plus 60 basis points (G+60 basis points)

There is likely to be a fall in gilt yields and PWLB rates across the whole curve over the next one to two years as Bank Rate falls and inflation (on the Consumer Price Index measure) moves below the Bank of England's 2% target.

As a general rule, short-dated gilt yields will reflect expected movements in Bank Rate, whilst medium to long-dated yields are driven primarily by the inflation outlook.

The Bank of England is also embarking on a process of Quantitative Tightening. The Bank's original £895bn stock of gilt and corporate bonds will gradually be sold back into the market over several years. The impact this policy will have on the market pricing of gilts, while issuance is markedly increasing, and high in historic terms, is an unknown at the time of writing.



8. Investments in 2023/24 and Economic Context commentary provided by Link Asset Services (the council's external Treasury advisor)

Investment returns picked up throughout the course of 2023/24 as central banks, including the Bank of England, continued to respond to inflationary pressures that were not transitory, and realised that tighter monetary policy was called for.

Starting April at 4.25%, Bank Rate moved up in stepped increases of either 0.25% or 0.5%, reaching 5.25% by August. By the end of the financial year, no further increases were anticipated. Indeed, the market is pricing in a first cut in Bank Rate in either June or August 2024.

The upward sloping yield curve that prevailed throughout 2023/24 meant that local authorities continued to be faced with the challenge of proactive investment of surplus cash, and this emphasised the need for a detailed working knowledge of cashflow projections so that the appropriate balance between maintaining cash for liquidity purposes, and "laddering" deposits on a rolling basis to lock in the increase in investment rates as duration was extended, became an on-going feature of the investment landscape.

With bond markets selling off, UK equity market valuations struggled to make progress, as did property funds, although there have been some spirited, if temporary, market rallies from time to time – including in November and December 2023. However, the more traditional investment options, such as specified investments (simple to understand, and less than a year in duration), have continued to be at the forefront of most local authority

investment strategies, particularly given Money Market Funds have also provided decent returns in close proximity to Bank Rate for liquidity purposes. In the latter part of 2023/24, the local authority to local authority market lacked any meaningful measure of depth, forcing short-term investment rates above 7% in the last week of March.

While the Council has taken a prudent approach to investing surplus monies, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the Global Financial Crisis of 2008/09. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.

Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates as illustrated in the charts shown above and below. Such an approach has also provided benefits in terms of reducing counterparty risk exposure, by having fewer investments placed in the financial markets.

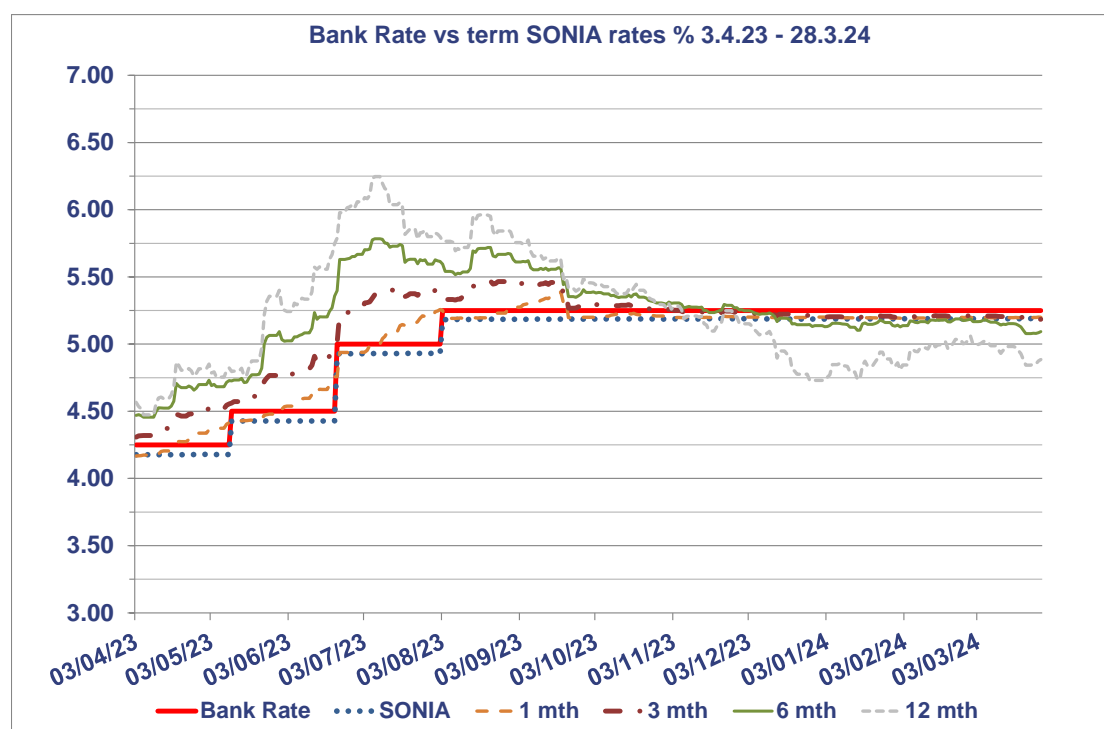


Table 8 within the report details the authority's investments by call, short and long term. The Sterling Over Night Indexed Average (SONIA) rate set out in the graph above (average of 2.24% across the year) is a fair comparator for at-call and the 12 month SONIA rate (average of 3.53% across the year) for short term investments.

Resources – the council's longer term cash balances comprise, primarily, revenue and capital resources, although these will be influenced by cash flow considerations.

Investment Policy – the council's investment policy is governed by DLUHC investment guidance, which was implemented in the Annual Investment Strategy approved by Council

on 23rd February 2023. This policy set out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by an analysis of Common Equity Tier (CET1) levels. The investment activity during the year conformed to the approved Strategy, and the council had no liquidity difficulties.

At the end of 2023/24 Walsall's investment balance was £54.325m lower than that at the start of the year.

Table 8 below shows an age profile of the investments.

Table 8: Changes in Investments during 2023/24	Opening Balance £m	Closing Balance £m	Movement in Year £m
At Call accounts	47.771	48.446	0.675
Between 31 days and 365 days	58.000	8.000	(50.000)
Over 365 days	35.000	30.000	(5.000)
Total	140.771	86.446	(54.325)

Investments held by the council - the council maintained an average balance of £130.016m of internally managed funds. The internally managed funds earned an average rate of return of 4.94%.

Recognising the continuation of the stresses on the world banking system, enhanced priority has continued to be given to security and liquidity. To reduce counterparty risk to the maximum possible extent the investment portfolio was spread across a range of appropriately credit rated / analysed institutions. **Table 9** shows the outturn on investment income in 2023/24.

Total investment income was £6.267m compared to a budget of £4.582m, leading to an underspend position of £1.685m. At the point of budget setting, interest rate forecasts were suggesting further gradual rises in short, medium and longer term interest rates to a peak of 4.50% in June 2023, but by May 2023 it had become clear that inflation was sticking and further rate hikes were necessary. This had a direct impact on investment returns, ensuring a significant underspend on investment income.

Table 9 Investments Interest – Gross Income	2023/24 Approved Cash Limit £m	Outturn at 31 March 2024 £m	Over /(under) achieved cash limit £m	% Target Rate	% Average Rate achieved
Call Account investments	0.625	3.056	2.431	2.50%	4.92%
Short Term Investments	2.288	1.647	(0.641)	3.75%	4.97%
Long Term Investments	0.600	0.224	(0.376)	4.00%	5.00%
Property Fund	1.069	1.340	0.271	3.56%	4.47%
Total	4.582	6.267	1.685	0.91%	4.94%

9. Performance Measurement

One of the key requirements in the CIPFA Code of Practice on Treasury Management is the formal introduction of performance measurements relating to investments, debt and capital financing activities. **Table 10** below shows that Walsall has consistently achieved a higher average return on it's investments and has reduced it's average rate it pays for its borrowing. The figures for 2011/12 to 2014/15 are derived from the the CIPFA treasury management benchmarking club. For 2015/16 onwards, as a number of authorities no longer participate in this benchmarking exercise, the figures set out are based on a review of reports issued by the authorities statistical neighbours. Comparative figures for 2023/24 are not yet available.

Table 10 Comparison of Walsall with other councils Average Interest Rates	Walsall Rate Received %	Comparator Average Rate Received %	Walsall Rate Paid %	Comparator Average Rate Paid %
2013/14	1.29	0.85	4.51	4.26
2014/15	1.09	0.77	4.61	4.14
2015/16	1.08	0.76	4.54	4.18
2016/17	0.86	0.76	3.99	4.34
2017/18	1.32	0.73	3.42	4.06
2018/19	1.37	1.10	3.83	4.15
2019/20	1.50	1.00	3.34	4.05
2020/21	0.59	0.24	3.42	3.70
2021/22	0.38	0.16	3.63	4.02
2022/23	2.11	1.95	3.87	3.95
2023/24	4.83		4.16	

Council approved the following local performance indicators, the majority of which were complied with during the year, **Table 11** provides the indicators for March 2024.

Table 11 - Local Indicators		Actual 2022/23	Target 2023/24	Position 31-Mar-24	Variance to target	
		£m	£m	£m	value	%
L1	Full compliance with Prudential Code.	YES	YES	YES	N/A	N/A
L2	Average length of debt. (Years)	17.13	Lower Limit 15 Years, Upper Limit 25 Years	17.74	N/A	N/A
L3a	Net borrowing costs as % of net council tax requirement.	10.64%	20.00%	2.31%	(17.69%)	(88.43%)
3b	Net borrowing costs as % of Tax Revenue.	7.21%	12.50%	1.55%	(10.95%)	(87.63%)
L4	Net actual debt vs. operational debt.	61.42%	85.00%	58.61%	(26.39%)	(31.04%)

L5	Average interest rate of external debt outstanding excluding OLA.	3.82%	4.21%	4.13%	0.08%	2.02%
L6	Average interest rate of external debt outstanding including OLA.	3.87%	4.33%	4.16%	0.17%	3.82%
L7	Gearing effect of 1% increase in interest rate.	3.81%	5.00%	4.20%	(0.80%)	(16.00%)
L8	Average interest rate received on STI vs. At Call rate	(11.22%)	35.00%	1.02%	(33.98%)	(97.10%)
L9	Average interest rate received:					
L9a	At Call investments.	2.05%	2.50%	4.92%	2.42%	96.80%
L9b	Short Term Investments.	1.82%	3.75%	4.97%	1.22%	32.53%
L9c	Long Term Investments.	0.83%	4.00%	5.00%	1.00%	25.00%
L9d	Property Fund Investments	3.89%	3.56%	4.47%	0.91%	25.56%
L10	Average interest rate on all ST investments (ST and At Call).	1.89%	3.39%	4.94%	1.55%	45.86%
L11a	Average rate on all investments (excluding property fund)	1.81%	3.48%	4.94%	1.46%	42.04%
L11b	Average Rate on all investments (including property fund)	2.11%	4.54%	4.83%	0.29%	6.47%
L12	% daily bank balances within target range.	99%	99%	99%	0.00%	0.00%

Key variances are because of the following reasons:-

L8 – Average rate achieved on Short Term Interest vs At Call Rate – The target is to achieve a 35% better rate on short term investments vs the current At Call rate (i.e. do nothing other than leave all cash in overnight At Call accounts). Improvements in At Call rates due to bank rate increases meant that the difference between At Call and Short Term rates was increased, as short term rates were locked in whereas At Call rates increased immediately.

10. The Economy and Interest Rates commentary provided by Link (the council's external Treasury advisor)

UK Economy.

Against a backdrop of stubborn inflationary pressures, the Russian invasion of Ukraine, and war in the Middle East, UK interest rates have continued to be volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2023/24.

Markets have sought an end to central banks' on-going phase of keeping restrictive monetary policy in place on at least one occasion during 2023/24 but to date only the Swiss National Bank has cut rates and that was at the end of March 2024.

UK, EZ and US 10-year yields have all stayed stubbornly high throughout 2023/24. The table below provides a snapshot of the conundrum facing central banks. Inflation is easing, albeit gradually, but labour markets remain very tight by historical comparisons, making it an issue of fine judgment as to when rates can be cut.

	UK	Eurozone	US
Bank Rate	5.25%	4%	5.25%-5.5%
GDP	-0.3%q/q Q4 (-0.2%/y/y)	+0.0%q/q Q4 (0.1%/y/y)	2.0% Q1 Annualised
Inflation	3.4%/y/y (Feb)	2.4%/y/y (Mar)	3.2%/y/y (Feb)
Unemployment Rate	3.9% (Jan)	6.4% (Feb)	3.9% (Feb)

The Bank of England sprung no surprises in their March meeting, leaving interest rates at 5.25% for the fifth time in a row and, despite no Monetary Policy Committee (MPC) members no longer voting to raise interest rates, it retained its relatively hawkish guidance. The Bank's communications suggest the MPC is gaining confidence that inflation will fall sustainably back to the 2.0% target. However, although the MPC noted that "the restrictive stance of monetary policy is weighing on activity in the real economy, is leading to a looser labour market and is bearing down on inflationary pressures", conversely it noted that key indicators of inflation persistence remain elevated and policy will be "restrictive for sufficiently long" and "restrictive for an extended period".

Of course, the UK economy has started to perform a little better in Q1 2024 but is still recovering from a shallow recession through the second half of 2023. Indeed, Q4 2023 saw negative Gross Domestic Product (GDP) growth of -0.3% while year on year growth was also negative at -0.2%.

But it was a strange recession. Unemployment is currently sub 4%, against a backdrop of still over 900k of job vacancies, and annual wage inflation is running at above 5%. With gas and electricity price caps falling in April 2024, the CPI measure of inflation - which peaked at 11.1% in October 2022 – is now due to slide below the 2% target rate in April and to remain below that Bank of England benchmark for the next couple of years, according to Capital Economics. The Bank of England still needs some convincing on that score, but upcoming inflation and employment releases will settle that argument shortly. It is noted that core CPI was still a heady 4.5% in February and, ideally, needs to fall further.

Shoppers largely shrugged off the unusually wet weather in February, whilst rising real household incomes should support retail activity throughout 2024. Furthermore, the impact of higher interest rates on household interest payments is getting close to its peak, even though fixed rate mortgage rates on new loans have shifted up a little since falling close to 4.5% in early 2024.

From a fiscal perspective, the further cuts to national insurance tax (from April) announced in the March Budget will boost real household disposable income by 0.5 - 1.0%. After real household disposable income rose by 1.9% in 2023, Capital Economics forecast it will rise by 1.7% in 2024 and by 2.4% in 2025. These rises in

real household disposable income, combined with the earlier fading of the drag from previous rises in interest rates, means GDP growth of 0.5% is envisaged in 2024 and 1.5% in 2025. The Bank of England is less optimistic than that, seeing growth struggling to get near 1% over the next two to three years.

As for equity markets, the Financial Times Stock Exchange (FTSE) 100 has risen to nearly 8,000 and is now only 1% below the all-time high it reached in February 2023. The modest rise in UK equities in February was driven by strong performances in the cyclical industrials and consumer discretionary sectors, whilst communications and basic materials have fared poorly.

Despite its performance, the FTSE 100 is still lagging behind the S&P 500, which has been at an all-time high for several weeks.

Walsall Youth Justice Service Annual Strategic Plan

Portfolio: Councillor Elson – Children and Young People

Related portfolios: Councillor Garcha – Resident Access and Housing Support
Councillor Kaur – Education and Skills

Service: Children's Services

Wards: All

Key decision: No

Forward plan: Yes

1. Aim

- 1.1 Youth Justice partnerships have a statutory duty to produce an annual youth justice plan for submission to the Youth Justice Board for England and Wales showing how youth justice services will be provided and funded.
- 1.2 The Youth Justice Plan is prepared on an annual basis in accordance with the guidance "Youth Justice Plans: guidance for youth justice services March 2024" and specific conditions as set within the Youth Justice Board Effective Practice Grant. The youth justice plan sets out key achievements over the past 12 months, how Walsall Youth Justice Service is structured and funded and also identifies risks to service delivery and improvement.
- 1.3 The plan, reviewed in June 2024, outlines the partnerships priorities for 2022 to 2025 and provides commentary on the three national performance indicators for youth justice services;
 - Rate of first-time entrants to the youth justice system
 - The number and rate of custodial sentences
 - The proportion of young people re-offending

2. Summary

- 2.1 To provide Cabinet with an overview of the Youth Justice Annual Strategic Plan, the key areas of work which have been undertaken over the past 12 months and the partnership's priorities going forward.

3. Recommendations

- 3.1 That Cabinet notes the initial overview and activity set out in the report and

recommends the Walsall Youth Justice Annual Strategic Plan to Council for approval.

- 3.2 That Cabinet delegate authority to the Executive Director of Children's Services, in consultation with the Portfolio Holder for Children and Young People, to make any future minor amendments to the plan, if and when required.

4. Report detail - know

Context

- 4.1 The Youth Justice Service (YJS) partnership recognise that these priorities will take time and as such we have published a 3-year plan. As we are working through the final year of that plan, we have chosen to add an additional priority to improve the partnerships data intelligence and specialist insight. In addition to our Strategic Needs Assessment 2024, this will place us in a strong position in early 2025 to enter into a new multi-year plan. We know it will require investment and energy to achieve positive change. Our YJS Partnership Board members, managers and practitioners are committed to the Child First vision and to improving outcomes for our children.

❖ **Transitions and Resettlement**

To improve the transition experience of children in the justice system, the YJS will:

- Develop our close partnership with the Probation Service, to improve our Transition 2 Adulthood offer.
- Develop our relationship with HMYOI Werrington to improve our resettlement offer for children and transition into the adult estate.

Strategic Lead: Head of Probation

This priority is aligned to the Safer Walsall Partnership reducing re-offending priority and the regional Transition 2 Adulthood policy framework.

❖ **Reducing Serious Youth Violence:**

To reduce incidents of serious youth violence in Walsall, the YJS will:

- Work collaboratively with the Safer Walsall Partnership to implement the serious violence strategy.
- Deliver effective violence and knife crime interventions for children.
- Ensure the YJS is sufficiently resourced to manage risk to others.

Strategic Lead: Superintendent Walsall Police.

This priority is aligned to the Safer Walsall Partnership and recognises the Serious Violence Duty (2021) and the delegated responsibilities on agencies and partnership.

❖ **Disproportionality**

To reduce disproportionality and improve outcomes for overrepresented children, the YJS will:

- Lead on the YJB regional ethnic disparity pathfinder.

- Ensure the team are culturally competent and sufficiently skilled and confident in supporting children to explore identity and discrimination.
- Implement a bespoke offer for children with black and mixed ethnicity.

Strategic Lead: Head of Service (Corporate Parenting) – Children's Social Care.

This priority is linked to the Council's Corporate Equality Group and objectives within the Corporate Plan 2022-25.

❖ Identifying and responding to unmet need (Health).

To identify and respond to the unmet needs of children, the YJS will:

- Develop our 'Unmet Need' hub of education and health professionals in the team.
- Work with partners to secure long-term additional funding and resources to continue our Education Psychology and Speech and Language offer.

Strategic Lead: Head of CAMHS commissioning

Our partnership recognises that there is a clear need to 'level up' health provision for Walsall children in line with the Black country and regional developments.

❖ Voice of our children

To ensure the voice of our children is clearly heard and drives our strategic thinking and operational delivery, the YJS will:

- Ensure the voice of our children is heard within our strategic partnership board and influences the wider partnership.
- Ensure the voice of our children is clear within our assessments, plans and interventions.
- Employ a Youth Justice apprentice to find new ways to collaborate and consult with our children and ensure their feedback contribute to our data intelligence.

Strategic Lead: YJS Strategic Lead

Following the findings of the HMIP assurance review in 2021, the partnership is committed to better evidencing how we hear and are responsive to the voices of our children both strategically and operationally.

Council Plan priorities

- 4.2 Reducing the number of children entering the youth justice system is a corporate measure and a key performance indicator for the Youth Justice Board.
- 4.3 The YJS plan will contribute to the Council's priorities as follows:
 - People- the YJS Plan supports our families to integrate and make a positive contribution to their community whilst improving health and wellbeing.

- Children- improving outcomes for the children in the justice system is at the heart of the work undertaken by the Youth Justice Service and intrinsic to each of the priorities within the plan.
- Communities- working closely with the Safer Walsall Partnership, the YJS shares a priority to manage and reduce violence and to make our communities safer.

The strategic plan focusses on how partners in Walsall will ensure that Youth Justice Services are effectively delivered to reduce youth crime and re-offending, protect the public from harm and promote safeguarding

Risk management

- 4.4 The strategic plan recognises a number of risks to future delivery, including the improvements needed surround the health pathways for children in the justice system and a potential change in Police policy which would negatively impact on the number of children as first time entrants. The Youth Justice Performance and Partnership Board maintains oversight of risks to delivery and mitigating action on a quarterly basis through detailed performance and quality assurance reports. Partners, including West Midlands Police, National Probation Service, Community Safety, Public Health, Child and Adolescent Mental Health (CAMHS), Education, Employment and Skills, are required at each quarterly board meeting to confirm their resource allocation and are held accountable for the performance of their own organisation.

Financial implications

- 4.5 The strategic plan outlines the resource and funding arrangements for YJS including those from statutory partners, the Youth Justice Board for England and Wales, and the Office of the Police and Crime Commissioner. Adopting the plan is not expected to incur any additional costs over and above the above budgeted costs detailed within the plan.

Legal implications

- 4.6 Under Section 40 of the Crime and Disorder Act 1998 it is the duty of each local authority, after consultation with the relevant persons and bodies, to formulate and implement a youth justice plan for each year setting out how youth justice services are to be provided and funded in their area; and how the youth offending team (Youth Justice Service) established by them are to be composed and funded, how they are to operate, and what functions they are to carry out. The youth justice plan is required to be submitted to the Youth Justice Board and be published in such manner and by such date as the Secretary of State may direct.

Procurement Implications/Social Value

- 4.7 None.

Property implications

- 4.8 None.

Health and wellbeing implications

- 4.9 The health and wellbeing of Walsall children is key within the content of the strategic plan. Improving outcomes for children in the justice system increases the health and wellbeing of those who commit offences and associated victims.

Reducing Inequalities

- 4.10 Inequality is inherent within the Criminal Justice System. The plan does not represent an adverse impact to children at risk of offending and re-offending. Indeed, it identifies that addressing disproportionality (the overrepresentation of children from black, Asian and minority ethnic groups) is a priority leading into 2022-25. Significant work has been undertaken over the past year and the Youth Justice partnership is in a stronger place to better understand this inequality through data and consultation with families and partners.

Staffing implications

- 4.11 There are no staffing implications in the creation and review of the Strategic Plan 2022-2025. The current establishment is fully funded and financial contributions have been confirmed.

Climate Impact

- 4.12 There are no climate impact implications in this report.

Consultation

- 4.13 Consultation has been carried out with children involved in the criminal justice system, Youth Justice Service staff and with Youth Justice Service Performance and Partnership Board members.

5. Decide

- 5.1 A 'do nothing' option is not seen as viable as it is a statutory requirement for the council to have a Youth Justice Plan.
- 5.2 To recommend to Cabinet:
1. That Walsall's Youth Justice Annual Strategic plan (review) be approved.
 2. That the Executive Director of Children's Services, in consultation with the portfolio holder, be authorised to make any future minor amendments to the plan if and when required.

6. Respond

- 6.1 The Youth Justice Service will continue to fulfil its statutory functions and deliver services to children in Walsall to work towards those key performance indicators. The plan details some of the actions that the Youth Justice Service will take to reduce offending behaviour, manage risk of harm to the public, and safeguard both children open to the service and others. The strategic plan sets the vision and strategic direction of the service over the coming 12 months.

7. Review

- 7.1 There is an annual requirement to complete a YJS Strategic Plan and as such progress against priorities and a review of achievements will be completed in the planning schedule for 2025-2026.
- 7.2 The YJS Performance and Partnership Board meets on a quarterly basis and will monitor, and review progress made against the priorities and the delivery plan.

Appendices

None.

Background papers

None.

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Executive Director Childrens Services
16.08.2024



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Portfolio Holder Childrens Services
27.08.2024