

Cabinet – 21 July 2021

YouTube link: <https://youtu.be/MWOPzZwe6yU>

Cabinet

Wednesday 21 July 2021 at 6.00 p.m.

Meeting venue: Council Chamber, Council House, Lichfield Street, Walsall.

via Microsoft Teams: Public access: <https://youtu.be/MWOPzZwe6yU>

Portfolios

Councillor M.A. Bird,
Leader of the Council



Councillor G. Perry,
Deputy Leader and
Resilient Communities



Councillor A. Andrew
Deputy Leader and
Regeneration



Councillor C. Towe,
Education and skills



Councillor R. Martin,
Adult social care



Councillor S. Craddock,
Health and wellbeing



Councillor T. Wilson,
Children's



Councillor M. Statham
Internal Services



Councillor O. Butler,
Clean and green



Democratic Services, The Council House, Walsall, WS1 1TW
Contact name: **Helen Owen** ☎ (01922) 654522 ✉ helen.owen@walsall.gov.uk
www.walsall.gov.uk

The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012

Specified pecuniary interests

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

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

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

Access to information: Exempt information

Part 1

Descriptions of exempt information: England

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

Part I – Public session

1. Apologies
2. Minutes –16 June and 7 July 2021
3. Declarations of interest
4. **Local Government (Access to Information) Act, 1985 (as amended):**

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

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

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

Leader of the Council

Non key decisions

8. Corporate Financial Performance 2021/22, Covid-19 update, approach to Budget Setting for 2022/23, and changes to the Councils Tax Strategy.
9. Treasury Management Annual Report
10. Refreshed Performance Management Framework

Deputy Leader and Regeneration: Councillor Andrew

Key decisions

11. Restart Scheme

12. Civil Parking and Moving Traffic Enforcement Contract
13. Local Authority Delivery Scheme - Appointment of contractor

Children's: Councillor Wilson

Key Decision

14. Domestic Abuse – commissioning of support for children and families

Adult Social Care: Councillor Martin

Key Decision

15. Shared Lives payments remodelling

Clean and Green – Councillor Butler

Key Decision

16. Liquid Fuel Supply contract

Education and Skills: Councillor Towe

Key Decisions

17. Admissions process

Part II – Private session

Deputy Leader and Regeneration: Councillor Andrew

Key decisions

18. Civil Parking and Moving Traffic Enforcement Contract
19. Phoenix 10 project – award of contract

(Exempt information under paragraph 3 of Part I of Schedule 12A of the Local Government Act, 1972 (as amended))

Clean and Green: Councillor Butler

Key Decision

20. Liquid Fuel Supply contract
(Exempt information under paragraph 3 of Part I of Schedule 12A of the Local Government Act, 1972 (as amended))

o 0 o –

Wednesday 16 June 2021 at 6.00 p.m.

Held in Council Chamber at the Council House Walsall

Note: This meeting was held in the Council Chamber in accordance with s.102 of the Local Government Act 1972 and the Council's Constitution. In order to comply with social distancing requirements as a result of the Covid-19 pandemic, the meeting was conducted via Microsoft Teams in accordance with the Council's Standing Orders for Remote Meetings.

Present

Councillor Bird	Leader of the Council
Councillor Andrew	Deputy Leader and Regeneration
Councillor Perry	Deputy Leader and Resilient Communities
Councillor Martin	Adult Social Care
Councillor Wilson	Children's
Councillor Butler	Clean and green
Councillor Towe	Education and skills
Councillor Statham	Internal Services

In attendance – in person

Dr. H. Paterson, Chief Executive
Mr A. Cox, Director of Governance and Monitoring Officer
Mrs H. Owen, Democratic Services Officer

In attendance – remote

Mrs D. Hindson, Executive Director, Resources and Transformation
Mr S. Neilson, Executive Director, Economy Environment and Communities
Mrs K. Allward, Executive Director, Adults, Public Health and Hub
Mrs S. Rowe, Executive Director Children's and Customer
Mr S. Gunther, Director of Public Health

3728 Welcome

At this point, Councillor Bird opened the meeting by welcoming everyone, and explaining that as the emergency legislation which enabled Council meetings to meet virtually had expired, the Cabinet was meeting that evening in person with appropriate social distancing requirements. He advised that the meeting would be conducted however via Microsoft Teams to enable it to be streamed on YouTube for members of the public to view and enable officers to contribute remotely if required. He also confirmed that voting that evening would be by way of a show of hands which would be visible on YouTube. Councillor Bird directed members of the public viewing the meeting to the papers which could be found on the Council's Committee Management Information system (CMIS) webpage.

3729 Apologies

An apology for non-attendance was received from Councillor Craddock

3730 Minutes

The minutes of the last meeting were submitted.

Resolved

That the minutes of the meeting held on 21 April 2021 copies having been sent to each member of the Cabinet be approved and signed as a correct record.

3731 Declarations of interest

There were no declarations of interest.

3732 Local Government (Access to Information) Act, 1985

Resolved

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

3733 Petitions

No petitions were submitted.

3734 Questions

No questions were submitted

3735 Forward plan

The forward plan as at 10 May 2021 was submitted:

(see annexed)

Resolved

That the forward plan be noted.

3736 Resetting the Council through Proud

Councillor Bird presented a report which sought agreement to a Reset Action Plan aligned to the Walsall Proud Promises and Corporate Plan outcomes that builds on the new ways working expedited by the Covid-19 pandemic and guides the work of the council over the coming months.

(see annexed)

Resolved

- 1) That Cabinet notes the steps taken to respond to the impact of Covid-19.
- 2) That Cabinet agrees the approach to resetting based on the principles set out, and gives a mandate to implement the Reset Action plan.
- 3) That Cabinet notes the findings of the Residents Survey and agree that ways to regularly seek the view of residents are explored and implemented.

3737 Pre-Audit Outturn 2020/21 and Covid-19 update

Councillor Bird presented a report which informed of the pre-audit revenue and capital financial outturn position for 2020/21, and financial and treasury indicators for 2020/21, along with an updated assessment of Covid-19 funding allocations to address cost pressures and income losses. The report also sought approval to begin formal public consultation regarding future options for the continued provision of the appointeeship service to support a decision as part of the 2022/23 budget process.

(see annexed)

Resolved

That Cabinet:

- 1) Notes the pre-audit revenue outturn underspend of £453k (table 1 and Appendix 1) and the pre-audit capital outturn break even position for 2020/21 (table 4).
- 2) Notes the transfers from and to earmarked reserves as set out in section 4.3 and table 2.
- 3) Notes that the opening general reserves balance will be £17.69m as at 1 April 2021. This is considered a prudent amount for 2021/22.
- 4) Notes the additional funding allocated to Walsall as set out in sections 4.7 to 4.8 and Appendix 2 of this report, which has been broadly sufficient to cover the additional costs of supporting the council's Covid-19 response in 2020/21, as set out in sections 4.10 to 4.15 and Appendix 3.

- 5) Approves summary expenditure plans for additional grant funding to date for 2021/22 as set out in section 4.16.
- 6) Notes and approve the capital re-profiling/carry forwards from 2020/21 to 2021/22 as set out in Appendices 4 and 5.
- 7) Notes the financial health indicators for 2020/21 as summarised in Appendix 6.
- 8) Notes the 2020/21 prudential indicators in Appendix 7 of this report and Walsall's compliance with these indicators.
- 9) Approves officers to enter in to a period of formal consultation regarding the future provision of the appointeeship service, as set out within sections 4.29 to 4.42 of this report, with the outcome of this consultation reported back to Cabinet to support the 2022/23 budget process.

3738 Corporate Plan Delivery – Q4

Councillor Bird presented a report which provided an oversight of the current levels of performance in the delivery of services aligned to the council's corporate priorities and outcomes with the performance being reported against a set of key measures that were approved by Cabinet in June 2020.

(see annexed)

Resolved

That Cabinet note the performance information provided in the appendix.

3739 Street Lighting Invest to Save

Councillor Andrew presented a report which outlined proposals for the conversion of street lights to LED and CMS technology.

(see annexed)

Resolved

That Cabinet:

- 1) Approves the conversion of the existing street lighting infrastructure to modern, energy efficient LED (light emitting diodes) technology that is controlled by CMS (a central monitoring system).
- 2) Approves the use of the existing Public Lighting PFI contract entered into on 28 March 2002 and made between Walsall Council and Walsall Public Lighting Ltd as the contractual mechanism to deliver the project.

- 3) Approves the business case (Appendix A) and use of option A as being the most cost effective option for delivery of the LED and CMS project.
- 4) Approves that the capital budget of £10,593,186 required to fund costs of option A, profiled as follows: £3,353,304 (2021/2022), £6,495,608 (2022/23) and £744,274 (2023/24), is funded from the pipeline investment fund included in the Council's approved 2021/22 capital programme.
- 5) Delegates authority to the Executive Director for Economy, Environment and Communities, in consultation with the Cabinet Member for Regeneration, to authorise the sealing or signing of the Deed of Variation to the street lighting PFI Project Agreement to give full effect to the project

3740 Revenues and Benefits Processing System

Councillor Andrew presented a report which sought approval to extend the current contract by 12 months to mitigate the risk of a lack of systems to perform the functions of collecting Council Tax, NNDR and making benefit payments.

(see annexed)

Resolved

- 1) That Cabinet approves the extension of the existing contract for a Revenues and benefits processing system with Northgate Public Services, for a period of 12 months at an estimated additional cost of £127,000.
- 2) That Cabinet delegates authority to the Executive Director of Children's Services, in consultation with the Portfolio Holder for Customer Access Management, to enter into an extension of the contract for the provision of a Revenues and Benefits processing system (to include authorisation, sealing or signing of any contracts, deeds or other related documents for such services).

3741 Adults and Children's Case Management System

Councillors Martin and Wilson presented a report which sought approval to award a contract for an electronic case management system to enable the Council to fulfil its statutory duties; and to build on existing infrastructure to enable a partnership based way of working to support the delivery of the Council's ambitions to transform services.

(see annexed)

Resolved

- 1) That Cabinet approves the award of a call off contract to Servelec Social Care Limited, valued at up to £928,000, for the continued provision of the

Council's existing case management system for Adult Social Care and Children's Services, from 01 July 2021, for an initial period 2 years, with the option to extend for further periods of up to 3 years from 01 July 2023.

- 2) That Cabinet delegates authority to the Executive Director for Adults Social Care and the Executive Director of Children's Services, in consultation with the relevant Portfolio Holders for Adult Social Care and Children's Services, to subsequently authorise the sealing of deeds and/or signing of contracts and any other related documents for the provision of such services.
- 3) That Cabinet delegates authority to the Executive Director of Adult Social Care and the Executive Director of Children's Services, in consultation with the Portfolio Holders for Adult Social Care and Children's Services, to authorise any variations to the contractual arrangements or other related documents for such services should this be required throughout the term of the contract, in accordance with the Council's approved budget, Public Contract Regulations and the Council's Contract Rules.

3742 Review of internal and external day opportunities

Councillor Martin presented a report which informed of the planned reconfiguration of the internal provider workforce at Goscote as part of the continued development and reshaping of the All Age Disability Hub; and which sought permission to formally consult with existing customers and stakeholders to consider and reshape the delivery of an alternative model of day opportunities.

(see annexed)

Resolved

That Cabinet:

- 1) Notes the intention to commence formal consultation with the employees at Goscote on relevant implications at the appropriate time.
- 2) Agrees to a wider consultation exercise with all stakeholders who may be affected by the transformation of day opportunities.
- 3) Agrees to receive a progress report on the outcome of consultation and the recommendations informed by that.

3743 Walsall Carers Centre – extension of contract

Councillor Martin presented a report which sought approval to extend the existing contract to provide for compliant contractual arrangements in place

during the pandemic, which were fit for purpose to enable the review of strategic priorities.

(see annexed)

Resolved

- 1) That Cabinet approves the extension of the existing contract with Walsall Carers Centre for a period of 12 months from 1st July 2021 to 30th June 2022 at a value of £85,000.
- 2) That Cabinet delegates authority to the Executive Director for Adult Social Care, in consultation with the Portfolio Holder for Adult Social Care, to subsequently authorise the sealing of deeds and/or signing of contracts and any other related documents for the provision of such services as well as any variations to the contractual arrangements or other related documents should this be required throughout the duration of the contracts.

3744 Redesign of Children's Homes

Councillor Wilson presented a report which set out the rationale and business case for the growth in children's homes and improving outcomes for Walsall's Looked after Children.

(see annexed)

Resolved

- 1) That Cabinet approves the capital budget of up to £1,071,000 funded from the pipeline investment fund included within the Council's approved 2021/22 capital programme to allow for the acquisition, adaptation and equipping of 2 appropriate properties in Walsall.
- 2) That Cabinet delegates authority to Executive Director for Children's Services in consultation with Portfolio Holder to acquire 2 appropriate domestic residences.
- 3) That Cabinet delegates authority to the Executive Director of Children's Services to agree and commission appropriate works to deliver required adaptations to newly acquired properties to create 2 children's residential homes in Walsall.

3745 Children's Complex Care Framework

Councillor Wilson presented a report which sought approval to extend the Framework agreement to provide access to home support (commonly known as domiciliary care) to Special Educational Needs / Disabilities children with complex medical, physical and social / emotional needs.

(see annexed)

Resolved

That Cabinet:

- 1) approves the extension of the Complex Care (Children's) Services Framework Agreement from 1 August 2021 until July 31, 2022
- 2) delegates authority to the Executive Director for Children's Services, in consultation with the portfolio holder for Children's Services, to enter into a further extension, if deemed necessary, of contractual arrangements from 1 August 2022 until 31st July 2023, and subsequently authorise the sealing or signing of any associated contracts, deeds or other related documents.
- 3) delegates authority to the Executive Director for Children's Services, in consultation with the portfolio holder for Children's Services, to authorise any variations to the contractual arrangements for services identified above, should this be required at any time during the term, in line with Public Contracts Regulations 2015 and the Council's Contract Rules

Private session

3746 Exclusion of public

Resolved

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

3747 Walsall Development Pipeline: Strategic Land Acquisition

Councillor Andrew presented a report which sought approval to acquire third party land that adjoined a Council-owned strategic pipeline site to facilitate the access required to support a future comprehensive residential development.

(see annexed)

The Cabinet considered a report which sought approval to acquire third party land that adjoins a Council-owned strategic pipeline site to facilitate the access required to support a future comprehensive residential development and associated benefits for the area.

The Cabinet approved the business case, land acquisition and associated costs which would be funded from the Pipeline Investment fund included in the Council's approved 2021/22 capital budget.

This report contains commercially sensitive information and is therefore exempt from publication.

[Exempt information under paragraph 3 of Part I of Schedule 12A of the Local Government Act, 1972 (as amended)]

3748 Darlaston Recreation Ground – Community Asset Transfer

Councillor Andrew presented a report which sought approval to the grant of a lease following a marketing process undertaken in accordance with the Council's adopted CAT Policy

(see annexed)

The Cabinet considered a report which sought approval to the grant of a lease following a marketing process undertaken in accordance with the Council's adopted Community Asset Transfer Policy. The Cabinet approved the grant of the lease.

This report contains commercially sensitive information and is therefore exempt from publication.

[Exempt information under paragraph 3 of Part I of Schedule 12A of the Local Government Act, 1972 (as amended)]

The meeting terminated at 6.49p.m.

Chair:

Date:

Special Meeting - Wednesday 7 July 2021 at 6.00 p.m.

Held in Council Chamber at the Council House Walsall

Note: This meeting was held in the Council Chamber in accordance with s.102 of the Local Government Act 1972 and the Council's Constitution. In order to comply with social distancing requirements as a result of the Covid-19 pandemic, the meeting was conducted via Microsoft Teams in accordance with the Council's Standing Orders for Remote Meetings.

Present

Councillor Bird	Leader of the Council
Councillor Andrew	Deputy Leader and Regeneration
Councillor Perry	Deputy Leader and Resilient Communities
Councillor Martin	Adult Social Care
Councillor Wilson	Children's
Councillor Towe	Education and skills
Councillor Craddock	Health and Wellbeing
Councillor Statham	Internal Services

In attendance - in person

Mr S. Neilson, Executive Director Economy Environment and Communities
Mr A. Cox, Director of Governance and Monitoring Officer
Mrs H. Owen, Democratic Services Officer

In attendance - remote

Dr. H. Paterson, Chief Executive
Mrs D. Hindson, Executive Director, Resources and Transformation
Mr Tony Meadows, Interim Director, Adult Social Care
Mrs Elise Hopkins, Director, Customer Engagement
Mr S. Gunther, Director of Public Health
Ms A. Ives, Head of Planning and Building Control
Mr N. Ball, Principal Planning Policy Officer

Councillor Andrew, Deputy Leader and Regeneration in the Chair.

3748 Welcome

At this point, Councillor Andrew opened the meeting by welcoming everyone, and explaining that as the emergency legislation which enabled Council meetings to meet virtually had expired, the Cabinet was meeting that evening in person with appropriate social distancing requirements. He advised that the meeting would be conducted however via Microsoft Teams to enable it to be streamed on YouTube for members of the public to view and enable officers to contribute remotely if required. He also confirmed that voting that evening would be by way of a show of hands which would be visible on YouTube. Councillor Andrew directed members of the public viewing the meeting to the papers which could be found on the Council's Committee Management Information system (CMIS) webpage.

3749 **Apologies**

An apology for non-attendance was received from Councillor Butler.

Note: Councillor Butler attended remotely as an observer and took no part in the discussion or voting on the agenda items.

Councillor Bird attended from 5.15pm.

3750 **Declarations of interest**

There were no declarations of interest.

3751 **Local Government (Access to Information) Act, 1985**

There were no items for consideration in the private session of the agenda

3752 **Black Country Plan: Draft Plan for Consultation**

Councillor Andrew presented a report which sought authorisation to consult on the Draft Plan version of the Black Country Plan.(Note: revised plan submitted – amendment to page 103 of Appendix A1 Draft Black Country Plan Written Statement. The correction affected an area of Dudley. No change no change to any part of Walsall).

(see annexed)

In presenting the report, Councillor Andrew stressed that this was a consultation document and urged elected members, residents and businesses to get involved in the consultation process.

Members discussed the report during which time Councillor Bird attended and thanked Councillor Andrew for chairing the meeting. Councillor Bird said that as he was the Chairman of the Planning committee, his comments would be confined to policy matters and not planning matters. Councillor Andrew remained in the Chair.

Following the discussion, Councillor Andrew Moved approval of the recommendations which was seconded by Councillor Wilson. Upon being put to the vote, the motion was declared carried and it was:

Resolved

- 1) That Cabinet approves the draft Black Country Plan as set out in Appendix A for consultation.

- 2) That Cabinet approves the approach to consultation as set out in Appendix D of this report.
- 3) That Cabinet delegates authority to the Director of Regeneration and Economy to make any necessary amendments to the Draft Plan and other consultation documents prior to the commencement of the consultation process.

3753 Assistance with the Acceleration of the UK Afghan Locally Employed Staff (LES) Relocation scheme

Councillor Andrew presented a report the purpose of which was to agree to pledge assistance with the relocation of 80 Afghan individuals (which includes immediate family) through the Acceleration of the UK Afghan Locally Employed Staff (LES) Relocation scheme

(see annexed)

Councillor Andrew Moved approval of the recommendations which was seconded by Councillor Bird. Upon being put to the vote, the motion was declared carried and it was:

Resolved

- 1) That Cabinet pledges to assist with the relocation of 80 Afghan individuals (which includes immediate family) through the Acceleration of the UK Afghan Locally Employed Staff (LES) Relocation scheme
- 2) That Cabinet delegates to the Executive Director for Children's Services, in consultation with the Portfolio Holder Regeneration, authority to agree additional tranches of individuals to be relocated in Walsall.

The meeting terminated at 5.27p.m.

Chair: Councillor Andrew

Date:



FORWARD PLAN OF KEY DECISIONS

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

5 July2021

FORWARD PLAN

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

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

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

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

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

- (1) A key decision is:
 - (i) any decision in relation to an executive function which results in the Council incurring expenditure which is, or the

making of savings which are, significant, having regard to the Council’s budget for the service or function to which the decision relates or

(ii) any decision that is likely to have significant impact on two or more wards within the borough.

(2) The threshold for “significant” expenditure/savings is £250,000.

(3) A decision taker may only make a key decision in accordance with the requirements of the Executive Procedure Rules set out in Part 4 of this Constitution.

**FORWARD PLAN OF KEY DECISIONS
AUGUST TO NOVEMBER 2021 (5.7.21)**

1 7	2	3	4	5	6	7
Reference No./ Date first entered in Plan	Decision to be considered (to provide adequate details for those both in and outside the Council)	Decision maker	Background papers (if any) and Contact Officer	Main consultees	Contact Member (All Members can be written to at Civic Centre, Walsall)	Date item to be considered
35/21 (10.5.21)	Corporate Plan 2021/22 - Quarter 1 Performance: To note reporting on the Markers of Success regarding the five priorities in the Corporate Plan.	Cabinet Non-key	Stephen Gunther Stephen.gunther@walsall.gov.uk Christine Williams Christine.williams2@walsall.gov.uk	Internal – Directors’ Group	Councillor Bird	8 September 2021
14/21 (8.3.21)	Willenhall Masterplan: Strategic Land Acquisitions – in principle approval for the use of Compulsory Purchase Order powers. <i>Contains information relating to</i>	Cabinet Key decision-	Willenhall Masterplan: Strategic Land Acquisitions.	Internal services	Councillor Andrew	8 September 2021

	<i>the financial or business affairs of a particular person</i>	Private session	Joel.maybury@walsall.gov.uk			
37/21 (7.6.21)	Sale of Council land in Blakenall: To seek approval to the freehold disposal of Council land in Blakenall <i>Contains commercially sensitive information.</i>	Cabinet Key Decision Private session	Nick Ford, Team Leader – Asset Management Nick.ford@walsall.gov.uk	Internal Services	Councillor Andrew	8 September 2021
22/21 (8.3.21)	Walsall Council Housing Allocations Policy: To update the policy which sets the principles for the allocation of affordable housing	Cabinet Key decision	Neil Hollyhead 07943 500394 Neil.hollyhead@walsall.gov.uk	Public, Housing Associations, Internal Services	Councillor Andrew	8 September 2021
	Walsall's Customer Experience Strategy 2021 to 2026: To approve the Strategy which sets out the Council's service transformation to meet customers' priorities and needs	Cabinet Key decision	Elise Hopkins elise.hopkins@walsall.gov.uk Neil Hollyhead Neil.hollyhead@walsall.gov.uk	Public, partner organisations, elected members, internal staff	Councillor Andrew	8 September 2021
39/21 (7.6.21)	Walsall Domestic Abuse Strategy: To agree the Strategy 2021 to comply with the new domestic Abuse Act 2020	Cabinet Key Decision	Domestic Abuse Strategy 2021 Domestic Abuse Need Assessment 2021 Domestic Abuse Act 2020	Safer Walsall Partnership Internal Services	Councillor Perry	8 September 2021

			Simon Neilson Simon.neilson@walsall.gov.uk			
40/21 (7.6.21)	Agreed Syllabus for Religious Education: There is a legal requirement to review/revise the Agreed Syllabus every five years. Cabinet is asked to endorse the Agreed Syllabus to ensure that the teaching of RE in schools is relevant and appropriate and recommend the Syllabus to Council for approval.		Nick Perks Nick.perks@walsall.gov.uk	Internal Services Standing Advisory Council for Religious Education	Councillor Towe	8 September 2021
41/21 (7.6.21)	Intermediate Care Service (ICS) Review: to receive the outcome of the review and approve the Extension of the existing Transitional Bed contract	Cabinet Key decision	Tracy Simcox Tracy.simcox@walsall.gov.uk	Internal Services	Councillor Martin	20 October 2021
44/21 5.7.21	Day care/day opportunities: To approve the recommendations following consultation with the wider marketplace, in order to develop the recommendations for delivering a menu of options for vulnerable people who require support to engage in meaningful community based activities as a result of ongoing needs around social care and inclusion,	Cabinet Key Decision	Cabinet report and the lessons learned from COVID report Jeanette Knapper 07500028537	Existing end uses of traditional day services in house Existing users and carers/parents of people accessing building based day	Councillor Martin Councillor Towe Councillor Wilson	20 October 2021

				opportunities Carers Hub FACE Frontline internal staff External marketplace for day care		
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Cabinet – 21 July 2021

Corporate Financial Performance 2021/22, Covid-19 update, approach to Budget Setting for 2022/23, and changes to the Council’s Tax Strategy

Portfolio:	Councillor M Bird – Leader of the Council (Lead Portfolio)
Related Portfolios:	All
Service:	Finance – council wide
Wards:	All
Key decision:	No
Forward plan:	Yes

1. Aim

- 1.1 To report on the forecast corporate financial position for 2021/22, based on the position to May 2021, including an updated assessment of the impact of Covid-19 on the council’s financial performance; Covid-19 Government funding to address cost pressures and income losses; and actions which may be required to address this position to ensure the council remains on a sound financial footing.
- 1.2 To set out our approach and timeline for the 2022/23 budget process and amendments to the Tax Strategy.
- 1.3 To provide a high level assessment of the council’s compliance with the CIPFA Code of Financial Management, which seeks to provide a mechanism for council’s to assess their financial resilience and sustainability, along with actions to address areas for improvement.

2. Summary

- 2.1 The council continues to play an active role in the overall national response to Covid-19. Government has to date allocated £67.58m of funding (plus £5.05m of support to Walsall residents and £137.19m for Walsall businesses) to help support Covid-19 pressures in Walsall. Of this £29.31m now relates to 2021/22 as summarised at **Appendix 1**. As well as the initial costs of funding the council’s response, the impact of Covid-19 includes significant loss of income following closure of services and facilities, a significant impact on the council’s collection fund and delays to the delivery of approved budget savings as the council has refocused its resources on its response to Covid-19.
- 2.2 The council continues to actively support local businesses directly affected by forced closures, partial closures or have had their trade affected by imposed restrictions. Of the £137.19m funding specifically allocated to Walsall since the start of the pandemic, £11.17m relates to restart grants announced in April 2021, where businesses in England in the non-essential retail sector are eligible for one-off grants of up to £6,000,

while businesses in the hospitality accommodation, leisure, personal care and gym sectors are eligible for grants of up to £18,000, dependent on rateable value to address the ongoing implications of restrictions into 2021/22. Alongside the restart programme, Walsall have also received a further £1.42m of top-up funding for the ongoing Additional Restrictions Grant scheme for councils, to allow more businesses to get support. In addition to these grants the retail rate relief scheme has been extended to include 2021/22 and a further £11.94m rate relief has been awarded for the current year.

- 2.3 This report provides a summary position on the financial impact of known pressures, including Covid-19, on the revenue position for 2021/22, based on known assumptions, including:
- (i) Additional costs / loss of income / delays in savings delivery due to Covid-19 of £4.04m to May 2021 (2 months) and a forecast total of c£27.31m for 2021/22, based on current and known assumptions, against funding of £29.31m. This leaves £2m unallocated to manage any additional emerging pressures as summarised at **Appendix 1**.
 - (ii) Non Covid-19 revenue pressures of c£4.49m, after use of reserves and assuming successful delivery of corrective action plans identified to date. Work is in hand to identify further actions to bring the position in line with budget as set out in section 4.16 to 4.23 of this report. Any on-going pressures identified and not addressed in year will need to be considered as part of the 2022/23 budget process.
- 2.4 In relation to the capital programme, the report includes a number of proposed amendments for approval as set out in section 4.29 of the report. The forecast for the council funded capital programme is currently expected to be on budget with no carry forwards currently being reported into 2022/23.
- 2.5 There remains considerable uncertainty at this point as to the impact on the national and local economy and on public finances following the extension of step 4 of the Governments roadmap out of lockdown to 19 July 2021, and it is expected that this will have implications into the medium term, impacting the council's reserves and budgets into 2022/23 and potentially beyond. This will require Government to review the now delayed review of Relative Needs and Resources (formerly the Fair Funding Review) expected during 2022/23, and in particular the quantum of funds made available to council's to ensure their continued financial stability.
- 2.6 In summary, the council is able to manage the financial impact in the short term, however should the crisis continue to have such a significant impact beyond July 2021, then additional actions will need to be taken should the Government not fully recompense councils for their losses. During this evolving period, regular updates will be reported to Cabinet on the financial implications for Walsall Council, including any recommendations for additional actions to be taken to manage the evolving situation.
- 2.7 This report also sets out:
- Performance against an agreed set of financial health indicators, which are forecast to be achieved;
 - Performance against statutory and local prudential indicators, which are forecast to be achieved;
 - The process and timeline for the 2022/23 budget process;
 - Work underway to update the medium term financial outlook (MTFO);

- An approval request for changes to the council's Tax Strategy. It is good practice to regularly review and update key strategic documents and obtain formal Cabinet approval;
- An assessment of the council's compliance with the CIPFA Code of Financial Management. We will review this against the Medium Term Financial Strategy (MTFS), the framework within which the council's financial planning and management is undertaken and any changes required will be reported back to Cabinet in October 2021 in an updated MTFS.

3. Recommendations

That Cabinet:

- 3.1 Note the total Covid-19 funding available to Walsall in 2021/22 of £29.31m as set out in section 4.6 and **Appendix 1** of this report, and that this may be insufficient to cover the additional costs of supporting the council's Covid-19 response beyond the short term.
- 3.2 Note that of the £29.31m grant, £14.64m is ringfenced for specific activity as set out in **Appendix 1** and this is expected to be fully spent.
- 3.3 Note the forecast impact of Covid-19 to May 2021 £1.82m and total forecast of £12.28m for 2021/22 based on known assumptions in relation to costs *not covered by specific grant*, as set out in section 4.6 to 4.12, and the estimated financial impact on the delivery of 2021/22 approved savings as set out in sections 4.13 to 4.15 and **Appendix 3**.
- 3.4 Approve the use of £5.51m of Covid-19 funding from unringfenced grant to support Adult Social Care demographic and workforce pressures, looked after children pressures and increased waste disposal costs, as referenced in section 4.12.
- 3.5 Approve the use of £905k of unringfenced Covid-19 funding to support the one-off shortfall in savings set out in **Appendix 3**, noting that the £306k saving for Money Home Job was approved by the Leader on 19 April 2021 in advance of Cabinet due to the impact on the service, as referred to in section 4.15.
- 3.6 Note that, of the £14.67m of unringfenced Covid-19 grant available, all but £1.92m is allocated, leaving little to manage any further unknown pressures that may arise.
- 3.7 Note the non Covid-19 related demand and other service pressures totalling c£4.49m as set out in 4.16 to 4.27, and actions being taken to address these.
- 3.8 Approve the passporting of Financial Transparency in Local Authority Maintained Schools Grant to Finance as set out in section 4.28.
- 3.9 Approve amendments to the capital programme as set out in section 4.29, including noting the redesignation of existing resources of £500k to fund additional One Source costs for the development of payroll systems, as approved by the Leader.
- 3.10 Note that the forecast for the council funded capital programme is currently expected to be on budget with no carry forwards currently being reported into 2022/23.
- 3.11 Note financial health indicator performance as set out in section 4.32 to 4.37 and **Appendix 4**.

- 3.12 Note the prudential indicators as set out in section 4.38 to 4.40 and **Appendix 5**.
- 3.13 Note the work underway to update to the medium term financial outlook and approve the approach for setting the 2022/23 budget, as set out in section 4.41 to 4.50 alongside the council's budget framework and Proud promises.
- 3.14 Note that the Medium Term Financial Strategy is being assessed against the CIPFA Code of Financial Management, and amendments will be reported back to Cabinet in October, as set out in section 4.51.
- 3.15 Approve the amendments to the Tax Strategy and governance arrangements to ensure it remains fit for purpose, as set out in section 4.52.

4. Know – Context

- 4.1 During 2020/21 councils were operating in an emergency response situation which was unprecedented. During the first quarter of 2021/22, lockdown and associated measures have continued to have a significant impact on the services that the council provides to its residents and services users and how it provides them, and has required implementation of a number of new support measures. Whilst lockdown measures are due to be eased on 19 July 2021, there remains uncertainty on the R Rate and therefore any continued impact. There are substantial known and potentially unknown costs. Government have provided some additional unringenced funding, along with specific grants for identified responses to the pandemic e.g. infection control and testing, however the sales, fees and charges loss of income grant is expected to cease beyond June 2021, therefore the council is expected to fund ongoing losses. Regular conversations are being held between Local Authority representative bodies and MHCLG officials to identify the issues facing council's and seeking further Government support to fund the full cost of the current and any future response required.
- 4.2 In the meantime, the council is still legally required to operate within a balanced budget, to operate within financial controls and to deliver approved budget savings. Inevitably, in order to do this and if Government funding is not provided to fully cover Covid-19 shortfalls, then Walsall will need to take action to address funding shortfalls if further funding or other easements from Government are not forthcoming.

Revenue Forecast 2021/22

Government's financial response to Covid-19

- 4.3 At Budget March 2020 the Chancellor announced a Covid-19 response grant to fund local authority actions to support social care services and vulnerable people; alongside the need for the NHS to treat Coronavirus patients including maintaining staffing levels; and funding to ensure other public services are prepared and protected. A number of ringfenced and unringfenced grants have been announced since that date, and regular updates are provided to Cabinet throughout the year.
- 4.4 This report provides detail on those grants impacting in 2021/22, including new grants and those approved to be carried over from 2020/21. These are summarised at **Appendix 1**.

Impact of Covid-19 on the Revenue Forecast 2021/22

- 4.5 Council on 25 February 2021 approved a balanced budget for 2021/22. This is predicated on a number of assumptions including;
- Collection of £132.5m of council tax income, with a council tax base of 70,809 households, and collection of business rates income of £73.5m.
 - Receipt of £42.6m of fees and charges to directly offset the gross cost of services and reduce the cost of services to the council tax payer.
 - Delivery of £28.9m of savings through the Proud activity.
 - A minimum level of reserves required of £16.6m.
- 4.6 Of the £29.31m grant identified at **Appendix 1**, £14.64m relates to ringfenced grants to specific activity, £469k sales, fees and charges loss of income grant with a further £14.20m being unringfenced Covid-19 grant funding. Of this £14.20m unringfenced allocation, £4.97m relates to grant carried over from 2020/21 and £9.23m is new grant for 2021/22. **Table 1** summarises the financial impact of continued income losses and additional Covid-19 costs against this unringfenced grant, based on a number of assumptions, totalling c£12.28m, after expected receipt of the income loss grant. It is expected that further costs will arise and thus the full grant will be utilised.

Table 1: Covid-19 pressures	Actual April/May 2021/22 £	Forecast 2021/22 £
Loss of income due to service closures / changes - services covered by income grant to June 2021	630,038	2,118,331
Loss of income - other service closures / changes	37,708	114,324
Loss of income - commercial	23,777	106,998
Loss of income - dividends and investment returns	16,100	2,046,600
Cabinet, Gold and Silver approvals for additional cost pressures – see Appendix 2	206,031	918,996
Forecast additional costs - subject to Gold / Cabinet approval	906,143	6,844,076
Additional costs arising from Covid-19 delay in the achievement of approved savings	374,177	598,492*
Total pressures to date	2,193,975	12,747,817
Government grant expected for loss of income	(378,287)	(469,027)
Total pressures to date net of expected grant for loss of income	1,815,688	12,278,790

*Total savings delays are £904k, of which £306k is shown above under Cabinet, Gold, Silver approvals.

- 4.7 The impact of Covid-19 beyond July 2021 is very uncertain. Despite the easing of lockdown restrictions, the impact of income losses on certain council services due to a reduced take up will continue into the short term. Even when all services are fully resumed, it is not clear when or if demand and therefore income will return to pre-Covid-19 numbers.
- 4.8 Covid-19 response funding is expected to be sufficient to fund the council's short term response to the pandemic (should no other pressures arise). Should pressures continue beyond July 2021, following the delay of removing lockdown restrictions to 19 July, without the offer of additional government funding, then the council would need to take further action. Should additional costs be identified, then the council may need to replenish any utilised general reserves in year or during the 2022/23 budget setting process, putting finances under more strain. As such Covid-19 funding requires careful management to ensure the council is not put under financial strain, leading to uncertainty about future financial stability.

Loss Of income

- 4.9 As reported to Cabinet previously, the council has faced significant reductions in sources of income, for example from the ongoing effects of closed or restricted demand on services such as leisure and car parking and traded services income from schools. Given councils' reliance on this income, the ability to balance the budget beyond the short term is challenging, as whilst Government has made a commitment to funding some of the income losses to June 2021, it is not covering all of them, e.g. -
- Active Living Centre income losses – membership levels are down 26% on February 2020, and it is anticipated that it will take 18 months for numbers to recover, forecast income losses reflect this;
 - Car parks have been open throughout the pandemic but occupancy has fluctuated throughout. Current losses are based upon 35% income recovery to June 2021, followed by 45% for 3 months following restrictions being lifted then 55% for the remainder of the year.
- 4.10 The Government announced a scheme for reimbursement of lost income on 2 July 2020 to reimburse lost income during the pandemic and boost cash flow. Where losses are more than 5% of a council's planned income from sales, fees and charges, the government will cover 75p in every pound lost. A total of £2.29m was reimbursed for the period April – November 2020 and a final claim has been submitted for £956k. The Spending Round on 25 November 2020 announced a further £0.02bn for extending the existing Covid-19 sales, fees and charges reimbursement scheme for a further three months until the end of June 2021 (the financial grant figure will be subject to actual losses incurred in 2021/22 as they arise), this being estimated at £469k. The remainder of the income pressure will have to be funded from the unringfenced grant as shown in **Table 1** above, meaning less funds available to meet any emerging pressures.

Additional Cost Pressures

- 4.11 On the expenditure side, there remain significant additional costs associated with Covid-19, including staffing, support to residents and council tax payers and businesses and support to the elderly and vulnerable particularly in relation to adult social care and children's. Some of these pressures will be funded from the specific Government grants provided for Covid-19, totalling £14.64m, e.g. -
- Adult Social Care demographics – a significant increase in the no of clients receiving care packages. This is partly due to an increase in care packages relating to hospital discharges and additional demand relating to Covid-19. Hospital discharges received CCG funding in 2020/21 and a further part funding for 2021/22. It is currently assumed no further CCG funding will be received but packages are expected to continue;
 - Increased costs relating to circa 53 looked after children due to delays in children stepping down and leaving care and reduced availability of appropriate placements;
 - Waste has seen an increase of 1,327 tonnes in April / May 21 compared to pre-Covid-19 levels.

- 4.12 The remaining pressures will need to be funded from the £14.20m unringfenced grant. Forecast assumptions against the unringfenced funding for 2021/22 currently total £12.28m, leaving £1.92m to fund any further emerging pressures in year.

There are a number of pressures totalling £5.51m to be funded from the unringfenced funding which Cabinet are requested to approve for 2021/22:

- £2.20m – additional placement costs relating to a significant increase in domiciliary care numbers during the pandemic and a shortfall of client contributions;
- £500k – increased workforce costs above the current budget due to increased demand in safeguarding and backlog of assessments. Safeguarding has seen an increase in number of concerns every month over the last six months resulting in additional agency staff being required to cover the additional demand;
- £2.07m increased costs relating to circa 53 looked after children due to delays in children stepping down and leaving care and reduced availability of appropriate placements;
- £735k – increase in waste disposal costs based on 2020/21 tonnage arising from people being home more and continuation of blended working.

Walsall Proud Savings

- 4.13 The 2021/22 budget is predicated on delivery of £28.9m from the directorates using Proud ways of working and thinking to be delivered from adopting those new ways of working across the council, significantly enhancing our enabling technology capabilities, and improving our service efficiency and performance. Planned activities within Walsall Proud have been reviewed in order to determine those activities which can continue and those which should be delayed as the council responds to the Covid-19 situation.
- 4.14 As part of this review, an assessment of the financial impact has also been undertaken in relation to those work streams due to deliver savings in 2021/22. The overall impact currently known is a delay in delivering £905k of savings due to Covid-19, as shown in the summary of high risk savings at **Appendix 3**. This is in the main due to a refocus of resource into managing the council's Covid-19 response; inability to generate fee and charges increases due to facility closures; and a delay in the commencement of consultation on a number of organisational redesigns. Action is currently in hand to prioritise those savings which may be able to be delivered earlier.
- 4.15 Cabinet are asked to approve the use of £905k of Covid-19 unringfenced grant funding to support the one-off shortfall in savings as shown in **Appendix 3**, whilst noting that the £306k saving for Money Home Job was approved by the Leader on 19 April 2021 in advance of Cabinet due to the impact on the service.

Additionally, there may be further one-off costs as some activities are paused and then reset, particularly in relation to any specialist resource required to deliver the planned activities. Further to this, there is a potential likelihood of a knock on impact to 2022/23, as resource following reset will be focussed on both delivery of 2021/22 savings and implementation planning in relation to the c£22m savings to set a balanced budget for 2022/23. This is currently being assessed and a further update will be included in a report to Cabinet later in the year.

Revenue Forecast 2021/22 - Service Pressures

4.16 Walsall Council has a track record of managing financial pressures and action has been taken to mitigate current and future cost pressures. The current council wide forecast of non-Covid-19 pressures shows a variance of **£4.49m** to budget, as summarised by directorate in **Table 2**. Any on-going pressures identified and not addressed in year will need to be considered as part of the 2022/23 budget process. Work continues to address these areas of pressure by year-end.

Directorate	Net Budget	Year end forecast prior to transfer to / (from) earmarked reserves	Year end variance to budget prior to transfer / (From) earmarked reserves	Use of earmarked reserves	Transfer to earmarked reserves	Year end forecast
	£m	£m	£m	£m	£m	£m
Adult Social Care and Public Health	55.52	75.53	20.01	(16.06)	0.58	4.53
Children's Services						
- Children's and Education	62.48	67.34	4.86	(5.03)	0.16	0.00
- Customer Engagement	3.72	5.07	1.35	(1.35)	0.00	0.00
Economy, Environment & Communities	37.02	41.23	4.21	(4.53)	0.23	(0.09)
Resources & Transformation	25.34	27.13	1.78	(2.04)	0.30	0.05
Services Position	184.08	216.30	32.22	(29.01)	1.28	4.49
Capital Financing	23.67	27.03	3.36	(3.36)	0.000	0.00
Central budgets	(75.21)	(59.37)	15.84	(34.23)	18.40	0.00
Total council tax requirement	132.55	183.96	51.41	(66.60)	19.68	4.49

4.17 The year-end forecast includes the use of earmarked reserves of £66.60m and transfers to earmarked reserves of £19.68m.

Transfer from/use of earmarked reserves are created for specified purposes. These are all planned to be used, although the period over which they are to be used may vary. Covid-19 costs funded from the S31 Covid-19 Response Fund and Sales, Fees and Charges grant (SFC) are recorded as expenditure within the services, with a corresponding transfer in of grant from earmarked reserves to fund the costs and total £50.96m of the £66.60m planned.

Of the £19.68m of transfers to reserves, £9.65m relates to Covid-19 grants, with the balance of £10.03m planned to be transferred.

This results in projected closing earmarked reserves of £163.20m as shown in **Table 3** below:

Table 3: Earmarked Reserves				
	Opening Balance 01/04/21	Transfers from Reserves	Transfers to Reserves	Closing Balance 01/03/22
	£m	£m	£m	£m
Treasury Reserves	22.67	(0.78)	0.00	21.89
Grant / Contributions received in advance	18.03	(6.84)	1.84	13.03
Improvement projects	33.67	(1.78)	4.37	36.26
Cost Pressures	10.66	(0.75)	0.00	9.90
Council Liabilities	43.14	(0.65)	3.82	46.32
Covid-19 grants	45.02	(50.96)	9.65	3.71
Public Finance Initiatives	22.04	(0.45)	0.00	21.59
Risk	7.64	0.00	0.00	7.64
Other	7.27	(4.40)	0.00	2.86
Total	210.12	(66.60)	19.68	163.20

Reserves are categorised for the purposes of reporting as follows:

- **Treasury reserves.** These reserves are to minimise the impact of interest rate changes and finance early redemption of loans to reduce the council's future interest exposure;
- **Grants / contributions received in advance.** This is where the council has received money in advance of the next accounting period or covers more than one accounting period. These amounts will be spent in line with the grant conditions;
- **Improvement projects.** These reserves are to finance service modernisation; specific projects such as pilot street cleansing initiatives, Cloud services, Oracle development, economic growth programme; and costs in relation to the council's Proud activity;
- **Cost pressures.** To include review of working practices including blended working, fluctuations in service demand such as in adult social care, crisis support and LAC;
- **Council liabilities.** These reserves cover expenditure where the council has a legal obligation to pay costs, such as equal pay claims and redundancies. In addition to these there are reserves for business rate appeals, pensions and insurance claims;
- **Covid-19 grants.** The carry forward of specific government grants to cover Covid pressures, including expanded retail relief for businesses;
- **Public Finance Initiatives.** Liabilities for our PFI's with Street Lighting and St Thomas More;
- **Risk.** To cover unforeseen risks in 2021/22 at the time the budget was set;
- **Other.** These reserves are to support a wide range of future costs such as partnership working with other external bodies.

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

4.18 Adults Social Care (£4.53m overspend after use of and transfers to reserves)

The current net forecast position is a potential over spend of £4.53m. The main reasons can be split into 'Business as usual' and 'Impact of Service Transformation Plan':

Business as usual position is (£130k) and is made up of:

- £1.14m - Procure to Pay saving carried forward from 2019/20 was £1.29m of which £150k has been validated to date on an ongoing basis and is included in the current

forecast position. Further work is underway to mitigate the remaining pressure including a review of existing provider payments. A detailed plan is awaited;

- (£850k) – additional recovery of direct payment refunds based on previous year's trends and additional income from joint funding arrangements above current budget;
- (£400k) – under spend on core services within adult social including one off use of improved better care fund.

Service Transformation Plan position is £4.66m and is made up of:

- £1.55m – Older people and front door saving of £2.38m, partially achieved by the single handed proposal of £830k - this would be higher but has had to be pared back due to delays in procurement timescales. A plan is awaited as to how the remaining £1.55m is to be achieved, with some reliance on the implementation of CAMS and Resilient Communities workstreams;
- £840k – Learning disability saving of £1.62m, partially achieved by review of Learning Disability placement costs of £780k. A plan is awaited as to how the remaining £840k is to be achieved;
- £2.12m – Joint funding saving of £2.90m, partially achieved by a legally agreed pooled budget arrangement of £780k over and above the existing budget of £700k. Further work regarding the joint funding arrangements remains in progress;
- £150k – Non delivery of the Commissioning restructure benefits proposal due to delays implementing the new operating model.

Risks

There are a number of potentially significant risks that could impact the forecast position further. Should these materialise this could lead to an increase in the overall over spend position by a further £5.92m.

- £3.23m – validation of remaining Section 117 recharges to Walsall CCG for 2019/20 and 2020/21 (awaiting formal response from CCG);
- £2.69m – adult social care benefit proposals currently identified as 'not fully guaranteed' (Amber), mainly relating to mitigating actions including single handling and review of learning disability packages.

4.19 Public Health (on budget)

The forecast revenue position for 2021/22 before net use of/transfer to reserves is an over spend of £680k mainly associated with short term projects partially offset with an underspend on staffing costs due to the impact of one-off funding available to support the local authority's Covid-19 response. After net use of reserves Public Health is on budget. This includes spend on sexual health services, drug and alcohol prevention and rehabilitation services, health visiting, school nursing, control of infectious diseases, oral health promotion, healthy weight and smoking cessation services. The public health grant is ring fenced so any under spend will be rolled forward to next year in accordance with the terms of the grant.

4.20 Children's (On budget after use of and transfers to reserves)

The initial forecast position is an overspend of £4.86m, which after the net use of planned reserves of (£4.86m) is net nil. The main reason for the current position within the service is a £239k overspend based on the current number / mix of children in care and the projected future inflow/outflow for the remainder of the financial year. The total forecast costs for the year are £26.20m against a budget of £25.96m. Earmarked reserves were set aside in 2020/21 to manage the risk of this and therefore this fully mitigates the overspend.

Risks

There are a number of risks that could impact the forecast position further. Should these materialise this could lead to an increase in the overall overspend position by a further £2.62m. Currently reported risks are as follows:

- £150k – Demand and costs relating to legal fees;
- £1.37m – In 2019/20, there was a net increase of 108 children & young people entering care in comparison to 58 in 2020/21. If this spike were to happen again in 2021/22 costs could increase over and above the growth included in current budgets;
- £100k – risk that demands for assessment continue to increase above capacity of the Educational Psychologist team, therefore incurring additional agency cost;
- £1.00m - Home to School Transport:
 - £600k – risk of increased demand over and above expected growth, increased complexities of children transported, increased number of EHCPs being completed via SENDI services and a rise in out of borough placements.
 - £400k – increased costs relating to additional transport that may be needed linked to special school expansions following outcomes of current review of demand on special school places.

4.21 Customer Engagement (On budget after use of and transfers to reserves)

The main risk within customer engagement is £500k for Customer Access Management dispersed effort, which is currently under review.

4.22 Economy, Environment and Communities (£88k underspend after use of and transfers to reserves)

Reasons for the current position within the service:

- (£80k) - Clean & Green & Leisure Services – Service Transformation Plan savings £173k mitigated by net employee costs;
- £50k – Highways & Transportation - £25k Shortfall of income from capital projects and one-off £25k repairs and maintenance costs in relation to the Salt Barn;
- £85k – Planning & Building Control – relating the Service Transformation Plan saving regarding the restructure which is yet to be mitigated;
- (£160k) – Resilient Communities – Service Transformation Plan savings £532k mitigated by vacant posts, one off use of Contain Outbreak Management Funding and charging of some salary costs to Public Health.

There is an additional high risk in relation to potential further income shortfalls within the Active Living Centres of £180k.

4.23 Resources and Transformation (£51k overspend after use of and transfers to reserves)

The main areas of variance to budget include:

- (£96k) Soft IFM – Under recovery on income offset by savings on vacant posts and general running costs;
- £122k legal – due to additional demand based on 6mths of 5 agency staff.

Impact on approved savings in 2021/22

- 4.24 The 2021/22 budget approved by Council on 25 February 2021 includes £28.90m of benefits realisation (savings) against Proud activity. Directors are required to ensure that service delivery plans are developed to fully deliver these in year.
- 4.25 All benefits with a high risk of not being delivered will require a high level delivery plan with key milestones including any corrective action to be produced. There are currently high risk benefits of £7.58m, as shown in **Appendix 3** along with the reason and proposed mitigating actions totalling £3.09m, including £905k requested to be funded from one off Covid-19 grant in 2021/22, with the expectation that these are delivered in full in 2022/23. Mitigating actions reduce the potential overspend to £4.49m as at May 2021 as referred to in **Table 2**.

Revenue Forecast 2021/22 – Action to Address

- 4.26 Should no further funding be made available, and costs increase above those indicated, then action will need to be taken to address this shortfall. Actions include the following, of which a number (*italics*) are in train:
- *Lobby for further funding and flexibilities;*
 - *Prioritise delivery of approved Proud savings;*
 - *Identify and deliver corrective all actions required to balance the position and manage the £4.49m of non-Covid-19 pressures outlined in the report;*
 - *Embed impact of Proud and Reset opportunities into budget monitoring, service and transformation plans;*
 - Identify further /alternative savings opportunities for delivery in 2021/22;
 - *Review Covid-19 impact on core assumptions for both 2021/22 and 2022/23 - changes in demand;*
 - *Use of Flexible Capital Receipts Strategy;*
 - *Remove any non-committed earmarked reserves;*
 - *Undertake a balance sheet review;*
 - Capitalisation of revenue (at margin).
- 4.27 Current general reserves are £17.69m. The above actions will need to be prioritised to ensure only a minimum, if any call on general reserves, is required. The MTFs requires a minimum level of reserves is maintained at all times – this being set at £6.2m – as such, wherever possible, alternative actions should be taken to ensure that at least this level is maintained in year and where possible, general reserves are maintained at their current levels. This avoids having to take even further action to replenish reserves in year or as part of the 2022/23 budget setting process, putting further pressure on council services. A further report will be presented in October setting out actions proposed and requesting Cabinet approval of any further formal actions required.

Passporting of specific grants

- 4.28 Notification was received from the Department of Education on 5 April 2021 of an un-ringfenced s31 grant for Financial Transparency in Local Authority Maintained Schools. This is to provide guidance and information to help schools complete and submit three-year forecasts, review the forecasts and their robustness, as well as using the forecasts as part of their wider assessment of school's financial positions. Walsall's share of the £772k is £5,228.16 based on the number of schools maintained. Cabinet are asked to approve the passporting of this grant to Finance to cover the costs of the processes put in place as the accountable body for maintained schools.

Capital Programme 2021/22

- 4.29 The capital programme for 2021/22, as approved by Council on 25 February 2021 was £103.76m. **Table 4** summarises amendments made to date, resulting in a revised programme of £223.17m.

Table 4: Amendments to Capital Programme 2021/22	
Project	£m
Capital programme 2021/22 per Council 25 February 2021	103.76
Council Funded Resources	
Carry forwards from 2020/21 – as approval by Cabinet on 16 June 2021	38.87
Proud card payments digital website *	(0.20)
Telephony cloud based system *	(0.30)
One Source *	0.50
Transit Site - budget used in 2020/21	(0.03)
Externally Funded	
Carry forwards from 2020/21 – as approved by Cabinet on 16 June 2021	75.33
BEIS Local Authority Delivery Scheme (LADS)	2.06
Pothole Fund	1.19
Project	£m
LTP Highway Maintenance Programme	(0.80)
LTP Bridge Strengthening	0.20
West Midlands Strategic Transport Plan (STP) 'Movement for Growth'	0.02
Incentive fund	0.31
Land and Property Investment Fund	0.11
Integrated Community Equipment Store	0.08
Black Country Blue Network - ERDF	0.04
Black Country Blue Network -S106	0.03
Capital Maintenance	2.00
Revised capital programme 2021/22	223.17

- 4.30 Cabinet are asked to note the redesignation of existing resources of £500k to fund additional One Source costs for the development of payroll systems, to be funded from underspends on the Proud card payments digital website (£200k) and telephony cloud based system (£300k), as noted by the "*" in the above table. This was approved by the Leader in June due to the Committee reporting timetable.
- 4.31 As at May 2021 the capital programme is expected to be on budget with no carry forwards currently being reported into 2022/23.

Financial Health Indicators

- 4.32 **Appendix 4** contains financial health indicator performance as at 31 May 2021. The primary purpose of these is to advise Cabinet of the current financial health of the authority in order to provide assurance to them in their role. The indicators cover a number of areas as follows:

Treasury Management

- 4.33 The indicators show the actual borrowing and investment rates for 2020/21 and the forecast for 2021/22 against set targets. Proactive and robust management of the council's debt and investment portfolios is forecast to result in positive variances against the financial health indicator targets for 2021/22.

Balance Sheet

- 4.34 This details ratios for the last 4 financial years 2016/17, 2017/18, 2018/19, 2019/20 and pre-audit figures for 2020/21 which show the liquidity of the authority.

Revenue performance

- 4.35 This section shows collection rates for council tax and business rates, the average number of days to collect sundry debt and the number of days to process creditor payments for 2021/22 and the performance against profile for 2021/22. Sundry debt collection is better than the target by 6 days with performance in relation to the processing of creditor payments also better by 8 days. Council tax collection is just short of the target with business rates slightly above target.

Management of Resources

- 4.36 This section details the outturn position for 2020/21 (pre audit) and 2021/22 year-end forecast for revenue and capital, which is based on the financial position as at 31 May 2021. The revenue forecast for 2021/22 shown is an overspend of £4.49m after successful delivery of corrective action plans.
- 4.37 Mainstream capital (funded from the council's own resources) as at 31 May 2021 is forecast to be on budget. Capital receipts are currently forecast to be on budget pending a review of available asset disposals which is fully dependent on timing and market conditions.

Prudential Indicators

- 4.38 **Appendix 5** contains the prudential indicators as at 31 May 2021. The primary purpose of these is to provide assurance to Cabinet that the authority is borrowing and investing in a sound and prudent manner. Indicators are approved by Council on an annual basis.

National Indicators

- 4.39 These indicators are nationally set and provide an indication of the council's exposure to interest rate risks, the proportion of the council's budget used to finance capital expenditure and the borrowing limits for the current year.

All of these indicators were met in 2020/21 and are forecast to be met in 2021/22.

Local Indicators

4.40 These indicators have been set in consultation with the Treasury Management Panel which is chaired by the s151 Officer, to provide further assurances to the authority that borrowing and investment is being undertaken in a sound and prudent manner.

Average interest rates on borrowing show an improvement against targets as a result of the council taking out new borrowing at favourable rates, whilst repaying older loans at maturity at higher interest rates. An exception to this is the average borrowing rate excluding and including other local authority debt which is currently showing as 8.67% and 6.15% above target, but this will reduce to below the target once planned borrowing for capital expenditure is taken out later in the financial year.

Specific variances to highlight are:

- L2 - Average length of debt – The target acceptable limit is within 15-20 years. The authority's current position is 16.97 years, which is within the target range.
- L3a - Net borrowing costs as % of net council tax requirement (variance of -63.94%). The target figure of 20.00% represents an upper limit of affordable net borrowing costs as a percentage of the net council tax requirement for the authority. The actual level of net borrowing costs is currently less than the upper limit, which in the main is linked to the work undertaken by the service to seek to secure favourable rates on investments and reduced costs on borrowing, thus reducing the overall net borrowing costs.
- L3b - Net borrowing costs as % of Tax Revenue (variance of -62.89%). The target figure of 12.50% represents an upper limit of affordable net borrowing costs as a percentage of tax revenues for the authority. The actual level of net borrowing costs is currently less than the upper limit, which in the main is linked to the work undertaken by the service to seek to secure favourable rates on investments and reduced costs on borrowing, thus reducing the overall net borrowing costs.
- L8 - Average rate achieved on Short Term Interest vs At Call Rate – The target is to achieve a 50% 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). In May the At Call rate was 0.05%, creating a 50% above target of 0.075%. The short term interest rate achieved was actually 0.39%, which results in a 680.00% favourable variance above the At Call rate.

The Medium Term Financial Outlook (MTFO)

4.41 Council on 25 February 2021 approved the 2021/22 budget, which included the draft plan for the period 2021/22 to 2023/24. Savings of £52.47m were published, including £28.90m for 2021/22. Whilst a balanced budget was presented for 2021/22, there remain savings of £12.96m to be identified to ensure a balanced budget is presented over the period to 2023/24, as follows:

	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Savings required per Council February 2021	28.90	22.01	14.52	65.43
Savings identified	28.90	19.10	4.47	52.47
Savings to be identified		2.91	10.05	12.96

- 4.42 Further work is in hand to refresh the MTFO, including adding a rolling year to include 2024/25. The updated MTFO will be reported back to Cabinet in October 2021 along with options to address any gaps, including:
- A review of investment currently assumed each year, in particular demand growth in Adult and Children's Social Care and predicted ongoing impact of Covid-19;
 - Review of pay and pension assumptions;
 - Review of contractual inflation assumptions;
 - Impact of Covid-19 on cost and income assumptions;
 - Business rates and council tax collection rates, council tax reduction scheme claimants, and provision for bad and doubtful debts;
 - Review of core funding assumptions in light of the delayed Spending Review, review of Relative Needs and Resources (formerly the Fair Funding Review) and Business Rates reforms;
 - Changes to the risk profile of the council;
 - Impact of proposed Reset Plans.

Budget Approach

- 4.43 Resources are allocated and budgets set within a framework of protocols and guidelines, in particular the council's Corporate Plan and MTFS. Decisions will need to be made about how to achieve a balanced budget, in the context of the needs of the Borough and also to ensure that we continue to care for the most vulnerable in our communities. Whilst it is recognised that Full Council will only set the council tax bands for 2022/23 in February 2022, the budget will continue to take a four year view (current year plus three), allowing for a more strategic focus to service re-design and savings aligning the finances more directly to the objectives, outcomes and markers of success of the council and maintaining/improving performance against these where prioritised.
- 4.44 The council is committed to adopting a holistic and collaborative approach, and there is strong consensus that this approach will produce better results than taking a traditional perspective on the financial challenges facing the council. Using the knowledge and understanding of our communities and evidence about the impact of service delivery, proposals will be developed that will be designed to make best use of all of our resources and to make the optimum impact that we can for the residents and businesses of Walsall through the achievement of the council's objectives and outcomes.
- 4.45 The Budget approach is intended to:
- Provide a framework to ensure successful delivery of the council's corporate vision and priorities and ensure value for money in the delivery of outcomes;
 - Maintain a financially sustainable position over the 4-year planning period and set a legally balanced 2022/23 budget;
 - Allocate limited and reducing resources to those activities that contribute most to improved outcomes;
 - Continue the focus on the need to deliver ongoing efficiency savings.
- 4.46 In considering resource allocation, funding for the development of services will need to be met from the redirection of existing resources and the identification of new or revised income sources. The council will need to be a leaner, more focussed organisation. The process needs to consider:
- The council's priorities and outcomes (strategy lead) – why are we incurring spend and what are we achieving from this, could we do this differently / more efficiently and could we reprioritise to achieve overall better outcomes for the council by

working smarter within the funding envelope, linking to the direction of travel of how the council is performing against the key priorities and outcomes;

- The methods of service delivery that will deliver value for money (commissioning led e.g. in-house, partnerships, outsourcing);
- The organisational structure and capacity that is needed to support the above;
- The level of council tax increases (subject to Government direction and referendum levels) and what this means for the council's overall budget;
- Income that can be generated (through the charging policy, increased charges, new charges, new grants, etc.);
- The levels of reserves and contingencies required for financial prudence and to proactively manage the council's risks (set out by the S151 Officer);
- The use of unringfenced grant – it is assumed that all unringfenced grant will be pooled to support the corporate good, unless Cabinet approve otherwise during the budget process;
- Stakeholder consultation and lobbying;
- The impact of Covid-19 / Post Covid-19 and developing Reset plans going forwards on our services and residents and on our financial assumptions and the continued need to be able to respond quickly and flexibly to changes in circumstances.

4.47 Our approach to resource allocation will:

- I. Be first and foremost focussed on purpose, objectives and outcomes – the Corporate Plan. This will drive how services are delivered linking to the direction of travel of the council against its ambitions and evidencing how resource allocation will impact the council's performance against the outcomes and how overall optimum delivery can be achieved;
- II. Follow a minimum four-year (current year plus three) approach;
- III. Fit the financial envelope available and allow for a strategic focus to cross organisational as well as service redesigns as part of Walsall Proud, for how the council will change the way it delivers its services in the future as part of an integrated approach to planning. This will involve redirection of existing resources through the implementation and rollout of organisational and service transformations; identification of third party spend reductions and efficiencies; and the identification of new or revised income sources;
- IV. Provide a clear value for money focus, with a clear understanding of our costs, what and where we spend our money on and **WHY**, and how we optimise this to ensure we are making best use of our money, and wider resources, to fulfil our Corporate Plan objectives and outcomes;
- V. Include early and effective engagement, consultation and impact assessment, with our staff, partners, and stakeholders, where required;
- VI. Seek to use knowledge and understanding of our communities and evidence about the impact of service delivery and revisions to that delivery;
- VII. Make best use of all of our resources (including partner resources) and to make the optimum impact that we can for the residents and businesses of Walsall;
- VIII. Be aware of and take account of external drivers and be flexible enough to adapt to changes in these;
- IX. Identify key change required as part of the Walsall Proud Ways of Working, and ensure this is adequately resourced and supported by the council's workforce strategy and appropriate performance systems.

4.48 Since March 2020, the council has been impacted greatly by the emergency response to Covid-19. Our Reset Action Plan was agreed by Cabinet on 16 June 2021 aligned to the Walsall Proud Promises and Corporate Plan outcomes that builds on the new ways working expedited by the Covid-19 pandemic and guides the work of the council over the coming months. It builds on the blended working principles approved by Personnel Committee in April 2021, and presents a Reset Action Plan for the council that capitalises on the progress made using technology and digital working, it enables the continuation of opportunities introduced over the last year, and aligns to the tangible delivery of the 3 Proud Promises, which aim to:

➤ **Improve outcomes and customer experience**

- To minimise the need for physical interactions with citizens through the use of digital / virtual technologies leading to more inclusive and flexible service access (i.e. 24 hour self-service);
- To consider the closure of services that don't contribute well to delivering outcomes or reducing inequality;
- To build in and embed resilience to future waves of Covid-19 or shocks.

➤ **Improve employee satisfaction and engagement**

- To maintain the health and wellbeing of employees
- To enable employees to work in the most flexible ways e.g. use new technologies, acknowledge presenteeism as an old way of working, review policies and procedures where needed

➤ **Improve service efficiency and performance**

- To promote and push remote working as far as possible to minimise our estate footprint (within reasonable parameters e.g. not adopt hot-desking policy whilst covid-19 remains a risk);
- To focus on achieving financial sustainability for the organisation through cost reduction;
- To promote an outcome focussed culture.

This action plan is split into themes supporting delivery of the 3 Proud Promises:

- Strategy and Principles
- Allow the public to access services in a safe way and listening to our customers
- Listening to our people and keeping our people safe in the office
- Making sure our buildings are fit for purpose for blended working
- Keeping our people safe at home and on the front line
- Allowing our managers to manage
- Allowing our teams to thrive and collaborate
- Ensuring our teams feel engaged
- Talent management
- Culture
- Proud workstreams
- Financial implication of Reset and savings achieved via blended working

4.49 Our approach to budget setting was established for 2021/22 with overall financial savings expected to be delivered via Proud activity. For 2022/23 Proud work streams will continue to provide the 'enablers' to allow Directorates to deliver through Service Transformation Plans.

- 4.50 The process and key dates to come include:
- Finalise review on the MTFO and report to Cabinet / CMT;
 - Delivery options developed over the Summer and Autumn, in consultation with portfolio holders;
 - Review of the draft capital programme;
 - Update on savings progress and MTFO review to Cabinet 20 October 2021;
 - Scrutiny of the draft budget proposals, by overview and scrutiny committees in October / November 2021, and feedback to Cabinet on 15 December 2021;
 - Cabinet consider recommendations of overview and scrutiny committees on first draft budget and make any amendments;
 - Budget briefings for political groups and independent members through the year;
 - Consultation with the public on proposals for future service delivery, and formal employee and trade union consultation;
 - Receipt of the draft 2022/23 settlement estimated to be in December 2021, and the final in late January / early February 2022;
 - Recommendation of the revenue budget and council tax bands, capital programme and Treasury Management Strategy by Cabinet on 9 February 2022 for consideration by Council on 24 February 2022.

Assessment of compliance with CIPFA Code of Financial Management

- 4.51 Best practice financial management requires a Medium Term Financial Strategy (MTFS) that is regularly updated to take into account the changing environment within which we work. The CIPFA code of financial management has been introduced in 2020/21 as a shadow year. Our assessment is that the council is substantially compliant, with a number of areas for improvement as set out below. We will review the MTFS in the context of the Code and any changes required will be reported back to Cabinet in October 2021.

The Code is designed to support good practice in financial management and to assist local authorities in demonstrating financial resilience and sustainability.

Whilst this does not have legislative backing, CIPFA is seeking for it to apply to all local authorities - *“Since these are minimum standards, CIPFA’s judgement is that compliance with them is obligatory if a local authority is to meet its statutory responsibility for sound financial administration”*.

Our external auditors, Grant Thornton have confirmed that the Code is good practice rather than a mandatory requirement for the council, at least at this point in time, however GT have also confirmed that a self-evaluation of compliance with the Code (including acknowledgement of and actions to address any potential areas of non-compliance and any areas that could represent a significant risk for the council) would demonstrate good practice, and is expected to be tested by external audit as part of the council’s value for money arrangements for 2020/21.

Full compliance with the Code is expected in 2021/22. The Code sets out the principles of good financial management to ensure that an authority is financially sustainable and resilient. The approach taken is intended to be one of self-regulation, with reliance on the local exercise of professional judgement, rather than prescription of the financial management processes needed.

The Code is based on a series of principles supported by specific Standards which are considered necessary to provide a strong foundation to:

- financially manage the short, medium and long-term finances of a local authority;
- manage financial resilience to meet unforeseen demands on services;
- manage unexpected shocks in financial circumstances.

The Code sets out 6 principles of good financial management, which CIPFA recommends all financial management practices should comply with. To enable us to test our conformity with these principles, the Code translates them into 17 Financial Management Standards. In summary, these include the following areas:

- The responsibilities of the CFO and leadership team;
- Governance and financial management style;
- Long to medium-term financial management;
- The annual budget;
- Stakeholder engagement and business plans;
- Monitoring financial performance;
- External financial reporting.

The assessment indicated that the council was overall substantially compliant with the Code, with compliance with the Standards as follows:

- Fully compliant - Standard B (The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government), Standard H (The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities), Standard J (The authority complies with its statutory obligations in respect of the budget setting process), Standard P (The Chief Finance Officer has personal responsibility for ensuring that the statutory accounts provided to the local authority comply with the Code of Practice on Local Authority Accounting (LAAC) in the United Kingdom); Standard Q (The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions)
- Substantially compliant – Standards A, C, D, E, F, I, K, L, M, N, O
- Partly compliant - Standard G

One specific part compliant gap and a number of areas for improvement were identified and these are summarised below under the relevant Standard.

Standard A: The leadership team is able to demonstrate that the services provided by the authority provide value for money. Actions agreed to be considered include:

- Communicating more widely examples of good practice, for example though providing information on the web site as to how we are working to deliver value for money and to improve service economy, efficiency, effectiveness and equity.
- Value for money to form part of staff induction and annual performance conversations.
- An explicit statement within the council's governance structure concerning the collective responsibility of the leadership team for delivering value for money could be considered.
- During the development of the Corporate Plan, include explicit statement on value for money arrangements.

Standard C: The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.

- CMT to annually review their performance in this area to ensure this can be fully evidenced.

Standard D: The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016)

- The Council's Local Code of Governance to be reviewed and updated.

Standard E: The Financial Management (FM) Style of the authority supports financial sustainability

- CMT to consider the merit of seeking an external view of its financial style and consider timing of this.

Standard F: The authority has carried out a credible and transparent Financial Resilience Assessment. Actions agreed include:

- Formalising the financial resilience assessment and report to CMT and Cabinet as part of the budget process;
- Extend resilience testing to a broader range of alternative scenarios to aid planning;
- Acknowledge that the Asset Management Strategy (including office accommodation requirements and estates planning) will inform the resilience assessment;
- Developing a longer term financial strategy informed by the financial resilience assessment, once the time is right for this, given the uncertain times in relation to the pandemic impact and funding; CMT agreed to assess the timing of when and what further work would add value in longer term financial planning and agreed to take recommendations from finance later in the year as there was consensus regarding the uncertainty and likely inaccuracy of the position the further ahead we try to plan given the current circumstances regarding Covid-19 and funding. Please also refer to Standard G below.

Standard G: The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to Members. This requires a long term financial strategy and long term strategic plan.

The council is technically non-compliant with this Standard. However, the Code indicates that for some authorities, the planning horizon of the medium-term financial plan may represent the limit to which the authority can realistically plan for the future. In such circumstances, the long-term financial strategy and the medium-term financial plan might well be one and the same thing. The development of a longer-term financial strategy is, however, encouraged. CMT have agreed that for current purposes, due to the continuing impact of the pandemic, it is content that a medium term plan is considered appropriate, given the current levels of uncertainty about continuing impact, work on Reset and a lack of Government confirmation as to whether we will receive a further one year or multi-year settlement and awaited information on future funding including in relation to adult social care. A longer term financial plan will be considered alongside the 2022/23 budget setting process and the 2022/23+ Corporate Plan.

Standard I: The authority has a rolling multi-year Medium Term Financial Plan consistent with sustainable service plans. The development of a medium term Corporate Plan during is planned for 2021/22 which is critical to the integration of sustainable financial and service planning.

Standard K: The budget report includes a statement by the Chief Finance Officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves (S25 Report). An area for consideration identified in the 'lessons learnt from the Croydon Report in the Public Interest' related to the opportunity to increase member challenge of the S25 report and levels of reserves through additional training for Members.

Standard L: The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget. The authority will consider its engagement planning with key stakeholders in relation to the medium to longer term.

Standard M: The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions. A business case template has been introduced to support capital investment decisions approved by the strategic investment board and to support Cabinet report approvals. This does include the ability to input multiple options to be assessed and for the optimum one to be recommended. A separate formal project options appraisal methodology does not currently exist for all significant investment decisions. An assessment of what additional value this could add to the business case template will be conducted as to how this standard can be fully met.

Standard N: The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.

- Consideration will be given to the reporting of performance of key delivery partnerships.
- Performance and financial data could more usefully be presented together.

Standard O: The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability. An action to review current indicators reported was agreed.

Progress updates on the agreed actions will be presented to Cabinet and to Audit Committee, insofar as they impact the council's governance framework.

Changes to the Tax Strategy and governance arrangements

- 4.52 It is best practice to regularly review and update the Tax Strategy and governance arrangements to account for both internal changes and legislative changes. The Tax Strategy and governance arrangements has been updated to reflect the following:
- removal of references to EU law;
 - inclusion of support for import and export requirements due to Brexit;
 - updating the ensuring tax awareness section to refer to the current e-learning finance modules.

The revised Tax Strategy and governance arrangements is attached at **Appendix 6**.

Council Corporate Plan Priorities

- 4.53 The council's financial strategy and annual budget process is designed to ensure that resources follow council priorities and outcomes as set out in the Corporate Plan. Covid-19 creates risk, in that resources may need to be redirected to support the council's response, if Government funding is insufficient to fully cover both the direct (additional costs pressures, loss of income) and indirect costs (cost of reset and costs arising from delays in savings delivery due to the need to refocus on our Covid-19 response). Regular dialogue is being held with MHCLG officials to seek full recovery of costs and maintain the council's delivery of key priority services at the expected standard.

Risk Management

- 4.54 The council is having to make decisions that have a financial impact without a guarantee that the costs will be fully compensated for by the Government. The most obvious financial risk is therefore that the council will, if it is not fully reimbursed for all of its direct and indirect costs, overspend its 2021/22 budget, and reduce its general reserves.
- 4.55 The 2021/22 budget and level of operating reserves were set following a robust financial risk assessment. The level of reserves can only be set based on a set of realistically foreseeable or predicted parameters. Due regard is made to the strategic and operational risks facing the council. Some of these relate to the current economic condition, others to potential regulatory or national issues, which may have a local impact. Best professional judgement and estimates were applied in terms of the continuing impact of the global pandemic and there is therefore a risk that reserves are insufficient if costs continue to increase without the corresponding allocation of funding to meet this from Government.
- 4.56 The short term risk of this is being managed through close management and reporting of costs, loss of income, and indirect impacts such as the delay in delivery of approved budget savings through Cabinet/Gold/Silver Control meetings as appropriate.
- 4.57 As well as financial risk, the council maintains a register that highlights key themes of organisational risk (this is not risks to the community from Covid-19 or Reset) which is reported to Audit Committee as part of their annual work programme. The Strategic Risk Register (SRR) has been reviewed and amended to reflect the impact of Covid-19. The SRR has been reported to CMT and oversight in relation to this rests with Audit Committee, which will receive a number of reports during 2021/22.
- 4.58 Managers are required to deliver service and improvement targets on time, to standard and within budget. The resource allocation process is governed by the overarching Medium Term Financial Strategy. Risk management is an integral part of this activity and is embedded in budget preparation, monitoring and forecasting to enable potential variances and risks to be identified early and addressed.

Financial Implications

- 4.59 The financial implications are as set out in the main body of this report. The total final cost of Covid-19 is unknown at this stage, although a forecast is assumed based on known assumptions. The implications of costs exceeding grant allocated are set out in the main report and within the legal implications section of the report. Monthly returns are being provided to MHCLG of high-level projections of costs, however it is unclear

whether and how further funding will be made available and how this will be designed to reflect the individual circumstances and financial losses at an individual authority level.

- 4.60 In addition to the implications for the 2021/22 budget, Covid-19 may impact on the council's reserve levels, with knock-on implications on the council's ability to set budgets for 2022/23 and future years. This remains under review. A specific assurance on the Government's plans to compensate for such losses would be welcomed by council's to ease this burden.
- 4.61 Inevitably, if funding is not provided to fully cover shortfalls, then council's will need to consider other actions short of S114 notices, including identifying further alternative savings options as set out in the main text of this report, and potentially emergency budgets.
- 4.62 The council has a statutory responsibility to set a balanced budget and to ensure it has an adequate level of reserves. The council will take a medium term policy led approach to all decisions on resource allocation.

Legal implications

- 4.63 The council is required to set and operate within a balanced budget. Section 114 of the Local Government Finance Act 1988 requires the chief finance officer (CFO), in consultation with the council's monitoring officer, to make a report under this section if it appears to him or her that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure. In practice, this is most likely to be required in a situation in which reserves have become depleted and it is forecast that the council will not have the resources to meet its expenditure in a particular financial year.
- 4.64 This mechanism, however is impractical and should be avoided, as issuing a S114 notice requires all non statutory spend to cease immediately, a situation which would just exacerbate the current situation. Assurance from Government that it will cover all direct and indirect costs of Covid-19 is therefore essential to allow council's to manage their legal obligations and maintain financial stability going forward.
- 4.65 CIPFA's guidance to CFO's has been modified to allow councils under budgetary pressure due to Covid-19 the time and space to explore alternatives to freezing spending via a S114 notice. The temporary modifications to guidance proposed by CIPFA would mean that it should not normally be necessary for S.114 notices to be issued while informal discussions with government are in progress. The institute has proposed two specific modifications:
- At the earliest possible stage a CFO should make informal confidential contact with MHCLG to advise of financial concerns and a possible forthcoming S114 requirement.
 - The CFO should communicate the potential unbalanced budget position due to Covid-19 to MHCLG at the same time as providing a potential S114 scenario report to the council executive (cabinet) and the external auditor.
- 4.66 The council will have due regard to its statutory responsibilities in proposing any changes to service provision and its statutory responsibilities in relation to setting a balanced budget.

Procurement Implications / Social Value

- 4.67 A number of goods and services, such as PPE, are currently being procured and procurement colleagues are working closely with services to ensure this is done in an agile, but compliant manner.

Property Implications

- 4.68 Many council premises have been either closed or open with restricted access to essential workers.

Health and Wellbeing Implications

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

Staffing Implications

- 4.70 There have been significant implications for staff and how they support delivery of services. There are opportunities to review our future ways of working as part of 'reset'.

Reducing Inequalities

- 4.71 The 2010 Equality Act lays a requirement to have due regard to the equality impact when exercising its function. As a public body, the council is required to comply with the Public Sector Equality Duty (PSED), as set out in the Equality Act, 2010. The PSED requires the council to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities. Failure to meet these requirements may result in the council being exposed to costly, time-consuming and reputation-damaging legal challenges. Budget proposals are equality impact assessed and consulted on as appropriate, with feedback and actions arising from these reported to members during budget setting.

Climate Change

- 4.72 This report is prepared with consideration of the council's Climate Change Action Plan, and all budget proposals will be assessed against the six key areas of the plan: strategy, energy, waste, transport, nature, resilience and adaptation (as appropriate).

Consultation

- 4.73 The report is prepared in consultation with the s151 Officer, relevant managers and directors. Comprehensive consultation will be undertaken during the budget process and feedback used to inform final decisions.

5. Decide

- 5.1 Cabinet may wish to consider additional actions to address the matters set out in this report.

6. Respond

6.1 Following Cabinet's consideration and approval, the S151 Officer will ensure implementation of the recommendations.

7. Review

7.1 Regular monitoring reports will be presented to Cabinet to inform them of the impact of Covid-19 and the forecast for 2021/22, including an update on risks and impact on the budget for 2022/23 and beyond.

7.2 Budget proposals will be presented to Cabinet, and implemented following approval of the budget by Full Council in February 2022.

Background papers: Various financial working papers.

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Signed:



Deborah Hindson
Interim Executive Director of Resources
and Transformation (S151 Officer)
21 July 2021

Signed:



Councillor M Bird
Leader of the Council
21 July 2021

Appendix 1: Covid-19 Funding

Source of Funding	Lead Officer	Walsall allocation			MHCLG return 25/06/21			
		Carried forward from 2020/21 £	2021/22 allocation £	Total funding £	Actual to May 2021 £	Forecast June 2021 £	Forecast Qtr 2 2021/22 £	Forecast Annual 2021/22 £
Unringfenced grant								
COVID-19 Support Package (1)	Vicky Buckley	4,971,738	9,225,164	14,196,902	1,815,688	793,760	3,623,443	12,278,790
Loss of income grant								
Forecast recoverable income for Qtr 1 2021/22 - estimated (2)	Vicky Buckley	0	469,027	469,027	378,287	90,740	0	469,027
Ringfenced grant								
Test and Trace support payments (3) - grant for admin of scheme	Mark Fearn	0	59,210	59,210	30,299	15,149	13,763	59,211
New Burdens Funding - Business rates admin (4)	Elise Hopkins	240,721	290,800	531,521	0	0	36,348	531,521
Wellbeing for Education funding (5)	Trudy Wyatt	40,416	35,107	75,523	16,308	17,108	2,486	75,523
Contain Outbreak Management Fund (6)	Sebastien Baugh	5,677,654	2,380,687	8,058,341	1,115,364	694,293	2,082,879	8,058,341
Winter Support package / Local Support Grant (7)	Elise Hopkins	0	1,482,317	1,482,317	24,280	304,780	0	1,397,056
Clinically Extreme Vulnerable support grant (8)	Paul Gordon	452,541	0	452,541	186,997	25,559	76,676	452,541
Community Testing (9)	Sebastien Baugh	0	533,856	533,856	400,702	133,154	0	533,856
Community Champions (10)	Paul Gordon	432,500	0	432,500	1,712	39,318	117,955	432,500
Elections (11)	Susan Wright	0	70,306	70,306	70,306	0	0	70,306
Welcome Back Fund (12)	Dave Brown	0	253,601	253,601	0	0	0	253,601
LA Practical Support or those self isolating (13)	Paul Gordon	0	153,554	153,554	0	0	0	153,554
Infection Control & Testing Fund (14) – Infection & Prevention Control	Tracy Simcox	0	1,462,846	1,462,846	0	858,976	0	1,462,846
ASC rapid testing		0	1,078,184	1,078,184	0	610,830	0	1,078,184
Total unringfenced and ringfenced grants for Walsall (excluding support to businesses)		11,815,570	16,423,435	29,310,229	4,039,943	3,583,668	5,953,549	27,306,857

1 Covid-19 Response Fund / Support Package - a package of support to Local Government, announced over 5 tranches, to address Covid-19 related pressures for 2020/21. The total allocation for Walsall over 4 tranches in 2020/21 is £27.06m with **£4.97m carried forward into 2021/22. This is a further £9.23m allocation for Quarter 1 of 2021/22.**

2 Grant for reimbursement of lost income - scheme announced on 2 July 2020 to reimburse lost income during the pandemic and boost cash flow. Where losses are more than 5% of a council's planned income from sales, fees and charges, the government will cover 75p in every pound lost. The total reimbursed for the period April – November 2020 is £2.29m. The final claim has been submitted for £956k.

The Spending Round on 25 November 2020 announced a further £0.02bn for extending the existing Covid-19 sales, fees and charges reimbursement scheme for a further three months until the end of June 2021 (the financial grant figure will be subject to actual losses incurred in 2021/22 as they arise), which is estimated at £469k.

3 Test and Trace Support payments – On 30 September 2020, the government announced that people will be required by law to self-isolate from 28 September 2020, supported by a payment of £500 for those on low incomes who cannot work from home and have lost income as a result, and who meet the criteria of the scheme. On 11 January 2021, the Dept of Health confirmed a further allocation of £20.4m for the extension of the scheme until 31 January 2021. Further allocations were announced on 24 March 2021 for February, March and April. No carry forward has been assumed from 2020/21, with a £59k allocation remaining for 2021/22.

4 New Burdens funding / business rates admin - MHCLG recognised that implementing new business rates measures will place some additional burden on billing authorities and confirms that it will provide New Burdens funding to cover matters such as IT costs, additional staff costs and rebilling. Initial allocation of £170k with a further £45k announced on 14 December 2020, and £77k on 16 December 2020. £241k of this has been carried forward into 2021/22. A further allocation of £291k was announced in May 2021 relating to additional support for business grants given in 2020/21.

5 Wellbeing for Education funding - On 12 August 2020, the Department for Education announced £8m of grant to support the Wellbeing for Education Return project which seeks to better equip education settings to support pupils and students' wellbeing and psychosocial recovery as they return to full-time education this autumn. Walsall's allocation was £40k in 2020/21, based on the number of state-funded education settings in their local authority area.

The Department's anticipate that local authorities use the funding provided to:

- Adapt the Wellbeing for Education Return training package, which will be shared with local authorities in September, to include local context and information about local services.
- Make accessible, and deliver, the adapted Wellbeing for Education Return training package to all state-funded education settings in their area in the first half of autumn term 2020.
- Provide ongoing support to all state-funded settings in their area, on promoting and supporting mental health and wellbeing over the next 6 months.

The full £40k allocation has been carried forward into 2021/22. A further round of Wellbeing for Education Recovery Grant was announced on 10 June 2021 totalling £7m nationally. Walsall's allocation is £35k and is to be used to provide additional support to state-funded schools and colleges to enable education staff to support the wellbeing and mental health of pupils and students during the Covid-19 recovery period.

- 6 Contain Outbreak Management Fund (COMF)** – Upper tier Local Authorities in England have received a number of payments during 2020/21, initially based on population numbers, to support local test, trace and contain activities as well as wider measures to protect public health and local economies. The total allocation for Walsall was £7.18m in 2020/21 of which £5.68m has been carried over into 2021/22. Following the publication of the roadmap out of lockdown for England on 22 February 2021, the government also announced a further £400m funding for 2021/22. April's allocation of £2.38m was announced on 8 April 2021.
- 7 Winter Grant Scheme / Covid Local Support Grant** – Scheme to support children, families and the most vulnerable. Following the publication of the roadmap out of lockdown for England on 22 February 2021, the Government announced the extension of the Covid Winter Grant Scheme for the period 1 – 16 April 2021 until the end of the Easter holidays and the Department of Work and Pensions announced a further £40m package of support on 14 April 2021 – rebadged as Covid Local Support Grant. This is for additional support to vulnerable households for the period from 17 April to 20 June 2021. The allocation for Walsall is £453k.

A further £160m was announced on 22 June 2021 for the extension of the Covid-19 Local Support Grant through to the end of September. Through the scheme, families in England are provided with extra support with food and utility bills including food vouchers and help with heating costs during winter. Support in each area is designed by local councils to make sure the needs of the community are met. Walsall allocation confirmed as £1.07m.

- 8 Clinically Extreme Vulnerable support Grant** – a press release was published on 4 November 2020 by the Dept of Health advising of £32m to upper tier councils in England to support the clinically extremely vulnerable, specifically to provide support, such as access to food deliveries and signposting to local support of befriending services to those most at risk and to enable them to stay at home as much as possible over this short period. Total grant received was £719k in 2020/21 of which £452k has been carried over into 2021/22.
- 9 Community Testing** – announced by Dept of Health on 30 December 2020. The purpose of the grant is to provide support to the Local Authority towards expenditure lawfully incurred or to be incurred in relation to Community Testing in response to the Covid-19 outbreak. Following the publication of the roadmap out of lockdown for England on 22 February 2021, the Government also announced the extension of the Community Testing Programme until at least the end of June 2021, where additional 'true up' payments can be claimed on a monthly basis. Walsall have submitted a claim for £534k for 2021/22.

A further extension was announced by the Department for Health on 29 June 2021 until September 2021, and a further 'true up' claim will be made for any additional costs incurred.

10 Community Champions - £23.75m was announced by MHCLG on 25 January 2021, of which Walsall's allocation was £433k. Whilst all funding needed to be committed before 31 March 2021, delivery of projects and activities can extend beyond that date, thus the full £433k has been carried forward into 2021/22.

The Community Champions: Local Authority Fund aims to support a range of interventions to build upon, increase or improve existing activities to work with residents who are most at risk of Covid-19 - helping to build trust and empower at-risk groups to protect themselves and their families. The broader aim is to reduce the impact of the virus on all communities, beyond just the target areas that we will work with through this scheme.

11 Elections - On 8 February 2021, the Minister for the Constitution & Devolution, made a statement to Parliament on the government's plans to proceed with local elections in May following confirmation on 4 February 2021 that they would not be delayed.

12 Welcome Back Fund - £56m announced by MHCLG on 23 March 2021 to help councils boost tourism, improve green spaces and provide more outdoor seating areas, markets and food stall pop-ups – giving people more, safer options to reunite with friends and relatives. This is funded from European Regional Development Fund (ERDF). Walsall's allocation was confirmed as £254k.

The funding can also be used by councils to:

- Boost the look and feel of their high streets by investing in street planting, parks, green spaces and seating areas to make high streets as beautiful and welcoming as possible.
- Run publicity campaigns and prepare to hold events like street markets and festivals to support local businesses.
- Install signage and floor markings to encourage social distancing and safety.
- Improve high streets and town centres by planting flowers or removing graffiti.

Further guidance was received on 16 April 2021. The costs associated with administering this grant will also be eligible for reimbursement up to 4% of the total grant value – to be funded from the grant allocation announced. Evidence must be retained to demonstrate that any project expenditure is eligible and that costs have been defrayed. These records will need to be retained through the life of the project and for the relevant ERDF retention period.

13 LA Practical support for those self isolating - Announced by the Department for Social Care on 26 March 2021. The purpose of the grant is to provide funding to local authorities to provide practical support for those self-isolating. This funding stream is ring-fenced for public health purposes to tackle Covid-19 working to break the chains of transmission and protecting people. The grant shall be payable in four instalments for the 4 month period covering March 2021 to June 2021. We have received 2 months allocations totalling £153k.

14 Infection Control and Testing Fund - Announced by the Department for Health and Social Care on 29 March 2021, which consolidates the Adult Social Care Infection Control Fund and Rapid Testing fund with an extra £341m of funding until June 2021. The purpose of this fund is to support adult social care providers to:

1. reduce the rate of Covid-19 transmission within and between care settings through effective IPC practices and increase uptake of staff vaccination, and
2. conduct rapid testing of staff and visitors in care homes, high risk supported living and extra care settings, to enable close contact visiting where possible

Walsall allocations have been confirmed as the following:

Infection Prevention and Control £859k – share of £202m;

- 52.5% allocation to care homes and residential drug and alcohol settings (£422,211)
- 17.5% allocation to community care providers (£179,072)
- 30% LA discretionary amount (£257,693)

Rapid Testing £611k – share of £139m;

- 60% allocation to care homes and residential drug and alcohol settings (£330,489)
- 40% discretionary community care funding (£280,341)

Local authorities should prioritise passing on the 'direct funding to providers' allocations to care homes and CQC-regulated community care providers. DHSC's expectation is that this should take no longer than 20 working days from receipt of the funding in a local authority. Reports are required to be produced by 19 May and 30 July.

A press release was issued on 27 June 2021 referring to a further £251m of infection control funding for period July to September 2021 (£142.5m for Infection Prevention and Control, and £108.8m for Rapid Testing funding for testing to protect people in adult social care as restrictions in wider society are eased, and supporting rapid, regular testing of staff to prevent Covid-19 transmission. Walsall allocation confirmed as £1.07m on 2 July 2021 (£604k for Infection Prevention and Control and £467k for Rapid Testing).

Appendix 2 – Cabinet / Gold / Silver Covid-19 Approvals

Date	Approval	Approved allocation 2021/22			Forecast Annual Spend 2021/22*
		Carried forward from 2020/21	2021/22 allocation	Total approval	
		£	£	£	£
Cabinet approvals					
19/05/2020 & 09/12/2020	Adult Social Care provider payments, and additional supplier relief for contracted and non-contracted providers. Continuation of 'payment by plan' (except where there is no evidence of care having taken place) for domiciliary care services until the 31 March 2021, with delegated authority to the Executive Director of ASC approved 09 Dec. £319,000 approved by Cabinet on 19 May and £1,359,324 on 9 December.	307,829	0	307,829	0
12/08/2020 & 10/02/2021	Adult Social Care provider payments, and additional supplier relief for contracted and non-contracted providers – £500,000 approved by Cabinet on 12 August 2020 and £900,000 approved by Cabinet on 10 February 2021. Further to the £200,000 approved by Cabinet on 19 May 2020.	651,237	0	651,237	200,000
19/04/2021	Expected shortfall in 2021/22 savings requirement for Money Home Job, given the increased work for managing Covid business grants – Savings target of £925,268 with £421,818 expected to be delivered plus £197,000 use of Homelessness Prevention grant, leaving shortfall of £306,450. Initial Gold approval on 15/04/21, and subsequent approval by Leader/Portfolio Holder at briefing 19/04/21 (given that no Cabinet report is planned until June 2021).	0	306,450	306,450	306,450
Total Cabinet approvals to date		959,066	306,450	1,265,516	506,450
Gold Control approvals >£50k					
02/11/2020	Social distancing measures, signage etc	52,623	0	52,623	28,881
18/03/2021	EHC assessment – managing the backlog of Education Health Care Plans – April to June 2021	0	191,950	191,950	191,950
24/06/2021	Additional workload in Adult Social Care learning disabilities - June 2021 to March 2022	0	80,074	80,074	0
24/06/2021	Vaccination bus costs for 10 weeks- £85,370 funded from Contain Outbreak Management Fund 2021/22 allocation	0	0	0	0
01/07/2021	Agency social workers to address increased demand on safeguarding – April 2021 to March 2022	0	265,014	265,014	0
Total Gold approvals to date		52,623	537,038	589,661	220,831
Silver Control approvals <£50k					
28/01/2021	Administration of One Source Programme – extension of experienced ICT Project Management contractor (in place since Nov 2019) to cover the implementation phase for the payroll module Feb – May 2021 and the wrapping up of the programme (May – June 2021).	29,250	0	29,250	29,250
08/02/2021	Additional Vodafone charges being incurred whilst working remotely for the period April 2021 – September 2021	0	32,400	32,400	32,400
15/02/2021	ICT resource to enhance customer service – included ICT traded services to schools – April 2021 – March 2022	0	32,863	32,863	32,863
15/03/2021	Children's system development – project support resource to manage and implement changes to Capita and Mosaic. 5 months until Aug/Sept	0	50,000	50,000	50,000
30/03/2021	Support to domiciliary care market – additional capacity by bringing extra providers onto the community based services framework – Q1 2021/22	0	16,002	16,002	16,002
12/04/2021	Shared lives - £1,000 per 27 households who receive long term shared lives carers to receive recognition and recompense for, and due to the ongoing Covid restrictions and in light of their continued support to individuals in placement – April 2020 – March 2021.	27,000	0	27,000	27,000
28/04/2021	Bulk email costs - for emailing monthly update newsletter to citizens Apr-2021 - March 2022	0	4,200	4,200	4,200
Total Silver approvals to date		56,250	135,465	191,715	191,715
Total Cabinet / Gold / Silver approval for additional cost pressures 2021/22		1,067,939	978,953	2,046,892	918,996

*Per MHCLG return submitted 25/06/21

Appendix 3: Walsall Proud - Benefits 2021/22 currently identified as potentially at risk of non-delivery

Benefit	Proud Workstream	Original Full Benefit £	Benefit identified as high risk of non delivery £	Value to be funded by Covid-19 Grant £	Reason	Mitigating Actions
Resources and Transformation						
HR restructure	Enabling Support Services	100,000	100,000	0	Restructure not finalised yet but first quarter to understand and develop proposals and then second quarter to implement once the proposals are organisationally understood.	A number of posts are being held vacant deliberately whilst the restructure work is being finalised.
Admin & business support wave 1 implementation	Enabling Support Services	552,062	213,319	0	Phase 1 benefits identified of £339k. Shortfall due to full restructure yet to be completed.	The service will aim to mitigate the in year pressure through further work with directorates to identify any further benefits and the completion and implementation of the full restructure of the service.
Admin & business support cross council efficiencies	Enabling Support Services	300,000	300,000	0	Next phase of work not yet identified, planning has commenced.	A paper regarding the direction of travel for £300k dispersed effort was reported to CMT and budget virements will be enacted and a further update provided in next months' monitoring. Actions to implement savings have been requested from services.
Consolidation of shadow IT and ITOM efficiencies	Third Party Spend	64,000	64,000	0	Revision of ITOM blueprint has put delivery of these benefits at risk in year. Benefit is dependent on the implementation of full original ITOM blueprint. This puts the deliverability of this £64k at risk. ITOM is not in place as at 1 April, therefore any benefit achieved in 2021/22 will be part year.	The full ITOM blueprint has been revised with an affordable model addressing the priority of cyber security, enterprise architecture and business relationship management to be implemented. Further work required.
Infrastructure & Technology Changes - Cloud Navigation / Fibre	Third Party Spend	150,000	120,000	120,000	Currently behind schedule due to increased working from home, power cuts and other impact of Covid-19. Current focus is on delivering essential services to keep the core business of the council running.	Progress delayed by Covid-19 and benefit requested to be funded via Covid-19 unringfenced grant for 2021/22.
Centralisation and rationalisation of postage costs	Third Party Spend	82,903	82,903	0	Exercise to identify postage budgets to be centralised, until complete achievability of benefit is in question.	This benefit will be mitigated by an exercise that is in progress to identify non-centralised postage budgets for transfer to the centralised post room in order to achieve the saving. This will be completed by end of Q1 with the expectation of virements being in place during Q2.

Benefit	Proud Workstream	Original Full Benefit £	Benefit identified as high risk of non delivery £	Value to be funded by Covid-19 Grant £	Reason	Mitigating Actions
Efficiencies savings within legal services	Enabling Support Services	66,666	33,333	0	Further efficiencies yet to be identified.	Efficiencies have been identified from legal non-staffing budgets but under review to confirm if savings need to be realigned. Further work required.
Total Resources & Transformation		1,315,631	913,555	120,000		
Children's Services						
Mother & Baby - Daisy Project	Third Party Spend	739,980	295,992	295,992	Issue around implementation dates, Director working to find a solution.	Implementation of project delayed due to issues with recruitment relating to Covid-19. Therefore Gold/Cabinet proforma has been presented for approval for saving to be funded from Covid-19 unringfenced grant for 2021/22. Service are working to identify additional families to work with throughout this financial year in order to achieve the saving in full from 2022/23 onwards.
Total Children's Services		739,980	295,992	295,992		
Customer Engagement						
Restructure within Money Home Job	Customer Access & Mgt	690,266	315,659	306,450	Up to six month delay in completion of restructure within MHJ due to Covid-19 as officers are required to deal with the unusual circumstances at present.	This will be funded by Covid-19 unringfenced grant as approved by Gold/Leader with the balance from additional Homelessness Prevention Grant.
CAM CXC wave 1 implementation	Customer Access & Mgt	123,166	42,884	0	Relates to delay in CAM CXC wave 1 implementation.	£30k reserves and budget for Head of Service post to fund the balance.
Council wide efficiencies relating to Customer Access Management	Customer Access & Mgt	500,000	500,000	0	Next phase of work not yet identified. Planning has commenced.	A paper regarding the direction of travel for £300k dispersed effort was reported to CMT and budget virements will be enacted and a further update provided in next months' monitoring. Actions to implement savings have been requested from services.
Total Customer Engagement		1,313,432	858,543	306,450		
Adult Social Care						
Older People & Front Door	Third Party Spend	2,375,570	1,549,074	0	Work currently being undertaken to identify and understand the enablers required to reduce inflow into social care. Awaiting detailed plans, however there is likely to be a delay in implementation.	Further work is required by the directorate to identify a mitigating action plan. This is part of the c£1.55m STP saving included within the ASC reported overspend in this report.
Learning Disability	Third Party Spend	1,614,131	835,529	0	Work currently being undertaken to identify and understand the enablers required to reduce existing social care packages. Awaiting detailed plans, however there is likely to be a delay in implementing.	Further work is required by the directorate to identify a mitigating action plan. This is part of the c£840k STP learning disability saving included within the ASC reported overspend in this report.
Joint Funding Arrangements	Income Generation & Cost Recovery	2,900,000	2,118,488	0	Awaiting variation of Section 75 agreement.	Further work is required by the directorate to identify a mitigating action plan. This is part of the c£2.12m STP joint funding saving included within the ASC reported overspend in this report.

Benefit	Proud Workstream	Original Full Benefit £	Benefit identified as high risk of non delivery £	Value to be funded by Covid-19 Grant £	Reason	Mitigating Actions
Commissioning hub new ways of working/staff reconfiguration	Designing Ways of Working - Hub	149,394	149,394	0	Limited progress/evidence on the delivery of this saving, Hub work stream review ongoing.	Further work is required by the directorate to identify a mitigating action plan. This is part of the c£150k STP saving included within the ASC reported overspend in this report.
Total Adults Social Care		7,039,095	4,652,485	0		
Economy, Environment and Communities						
Fee increases within resilient communities	Income Generation & Cost Recovery	98,022	98,022	0	Includes trading standards, food standards, taxi licencing etc. Review required taking into account the impact of Covid-19 on these sectors.	Mitigated by a combination of holding vacant posts open in the Directorate and other service underspends.
Charging for pre licensing – business licenses	Income Generation & Cost Recovery	7,350	7,350	0	Review of fee increases required taking into account the impact of Covid-19 on these sectors.	Mitigated by a combination of holding vacant posts open in the Directorate and other service underspends.
Restructure within resilient communities	Customer Access & Mgt	713,668	356,834	0	6 month delay implementation of the restructure within resilient communities.	Mitigated by a combination of holding vacant posts open in the Directorate and other service underspends
Consider ceasing of pest and animal control service	Income Generation & Cost Recovery	87,606	43,803	0	Current expected delay to October new structure implementation.	Mitigated by a combination of holding vacant posts open in the Directorate and other service underspends.
Efficiency savings within Community protection service	Customer Access & Mgt	52,135	26,068	0	6 month delay due to the implementation of the restructure within Community protection.	Mitigated by a combination of holding vacant posts open in the Directorate and other service underspends.
Restructure of planning services	Customer Access & Mgt	90,000	85,000	0	Currently no firm plans for implementation of restructure.	None identified presently – shown as overspend in April forecast outturn.
Increased membership retention across active living centres	Income Generation & Cost Recovery	45,000	45,000	45,000	Delay in implementation due to Covid-19 and ALC's being closed, impact on sector being reviewed.	Mitigated by Covid-19 reserve under loss of income.
External marketing and promotion partnership across active living centres	Designing Ways of Working - Hub	62,000	62,000	62,000	Delay to implementation due to Covid-19 and ALC restrictions. Expected that the service will need time to build usage/membership numbers back up to pre Covid-19 levels.	Mitigated by Covid-19 reserve under loss of income.
Management restructure across active living centres (ALC's)	Customer Access & Mgt	28,762	8,000	0	Delay due to recruitment to Head of Service post, who will lead on implementation.	Mitigated by underspends elsewhere in the Service.

Benefit	Proud Workstream	Original Full Benefit £	Benefit identified as high risk of non delivery £	Value to be funded by Covid-19 Grant £	Reason	Mitigating Actions
increasing out of hours burial services and associated fees	Income Generation & Cost Recovery	6,346	6,346	0	Discussions are ongoing re viability of implementation.	Mitigated by underspends elsewhere in the Service.
Increasing the number of fixed penalty notices issued	Income Generation & Cost Recovery	50,000	50,000	12,500	The service are currently refocused on Covid-19 priorities.	Mitigated partly by Covid-19 unringfenced grant and by underspends elsewhere in the Service.
Private sector or sponsorship funding of Christmas lights	Income Generation & Cost Recovery	5,000	5,000	0	Plans for delivery currently limited.	Mitigated by underspends elsewhere in the Service.
Biodiversity	Designing Ways of Working - Hub	88,249	10,000	0	Refocus from wild to managed sites will impact level of benefit achievable.	Mitigated by underspends elsewhere in the Service.
ALC - Concessionary 'Move it' leisure scheme fee increase	Income Generation & Cost Recovery	63,000	63,000	63,000	Fees increased, however sites operating at reduced capacity, with longer delay expected until usage/ membership back up to pre Covid-19 levels.	Mitigated by Covid-19 unringfenced grant and loss of income.
Total Economy, Environment & Communities		1,397,138	866,423	182,500		
Total		11,805,276	7,586,998	904,942		

Appendix 4: Financial Health indicators – May 2021

Treasury Management	2020/21 Actual	2021/22 Target	2021/22 Actual
Average Interest Rate (Borrowing)			
- Excluding other local authorities	3.46%	3.30%	3.59%
- Including other local authorities	3.54%	3.46%	3.67%
Gearing Effect on Capital Financing Estimates	3.58%	5.00%	3.70%
Net Borrowing Costs / Council Tax Requirement and NNDR contribution	4.44%	12.50%	7.19%
Capital Financing Requirement (£m)	380.886	417.360	417.360
Authorised limit for external Debt (£m)	472.173	498.300	498.300
Investment Rate Average (excl Property fund)	0.59%	0.27%	0.42%

Balance Sheet Ratios	2016/17	2017/18	2018/19	2019/20	2020/21 (draft)
Current Assets : Current Liabilities	1.86	1.03	1.68	2.39	2.04
Useable Reserves : General Revenue Expenditure	0.63	0.65	0.72	0.73	0.80
Long Term Borrowing : Tax Revenue (Using both council tax and NNDR for tax revenue)	1.41	1.20	1.36	1.43	1.83
Long Term Assets : Long Term Borrowing	2.29	2.34	2.05	1.86	1.83
Total School Reserves : Dedicated School Grant	0.05	0.05	0.06	0.05	0.08

Revenues Performance % collected for financial year	2019/20 Actual Collected in total @ 31.05.20	2020/21 Actual Collected in total @ 31.05.21	2021/22	
			Profiled 2021/22	Actual 2021/22
Council tax %	96.1%	93.5%	17.7%	17.4%
Total Council Tax collected (£m)	£134,015,934	£131,746,023	£26,950,000	£26,529,471
National Non Domestic Rate %	98.4%	90.9%	17%	18.5%
Total NNDR collected (£m)	£73,290,774	£48,330,121	£9,725,000	£10,623,532

Debtors and Creditors Performance	2020/21 Actual	2021/22	
		Target	Actual
Sundry Debtors Collection – Average number of days to collect debt	24 days	30 days	24 Days
Average number of days to process creditor payments*	7 days	14 days	6 Days

Management of Resources	2021/22		
Service Analysis	Target	Actual	Variance
Children's Services			
- Children's and Education	62,480,017	62,479,715	(302)
- Customer Engagement	3,716,986	3,716,742	(244)
Economy and Environment	37,021,443	36,933,618	(87,825)
Adult Social Care	55,523,346	60,054,033	4,530,687
Resources and Transformation	25,343,787	25,394,385	50,598
Council Wide	39,998,477	39,998,477	0
NNDR/Top Up	(91,538,275)	(91,538,275)	0
Total Net Revenue Expenditure	132,545,781	137,038,695	4,492,914
General Reserves	Minimum £6.6m Maximum £16.5m	N/A	N/A
Council Funded Capital Expenditure	95,886,653	95,886,653	0
External Funded Capital Expenditure	127,283,377	127,283,377	0
Total Capital Expenditure	223,170,030	223,170,030	0
Capital Receipts	4,231,584	4,231,584	0

Management of Resources	2020/21		
Service Analysis	Target	Actual	Variance
Children's Services			
- Children's and Education	78,111,424	78,073,649	(37,775)
- Customer Engagement	6,485,189	5,006,868	(1,478,321)
Economy and Environment	55,284,700	54,859,268	(425,432)
Adult Social Care	68,043,629	67,014,429	(1,029,200)
Resources and Transformation	34,157,780	33,526,225	(631,555)
Council Wide	(22,348,507)	(19,198,830)	3,149,677
NNDR/Top Up	(92,168,077)	(92,168,077)	0
Total Net Revenue Expenditure	127,566,138	127,113,532	(452,606)
General Reserves	Minimum £6.2m Maximum £15.5m	N/A	N/A
Council Funded Capital Expenditure	64,051,292	25,184,486	(38,866,806)
External Funded Capital Expenditure	153,126,757	77,789,577	(75,337,180)
Total Capital Expenditure	217,178,049	102,974,063	(114,203,986)
Capital Receipts	3,262,622	531,038	(2,731,584)

The figures for 2020/21 represent the actual budget and spend for each area within the authority. This will include all internal recharges such as office accommodation, central support services, and accounting adjustments for pension liability in line with IAS19 and capital charges. Capital charges and pension liability year end transactions can change substantially at year end as this is when revaluations of assets and figures from the actuary are received and budgets updated to reflect any changes.

What this tells us

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

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

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

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

Appendix 5: Prudential indicators – May 2021

National Indicators – as per CIPFA Prudential Code

Ref	Prudential Indicator Description	2020/21 Actual £m	2021/22 Target £m	2021/22 Actual £m	Variance to Target	
Prl 1	Capital Expenditure	102.837	223.170	223.170	0.000	0%
Prl 2	Ratio of financing costs to net revenue stream	5.17%	8.71%	7.24%	-1.48%	-17%
Prl 3	Estimates of the incremental impact of new capital investment decisions on Council Tax	£28.49	£52.43	£52.43	0.000	0%
Prl 4	Capital Financing Requirement	380.886	417.36	417.36	0.000	0%
Prl 5	Authorised Limit for external debt	472.173	498.300	498.300	0.000	0%
Prl 6	Operational Limit for external debt	429.248	453.000	453.000	0.000	0%

Ref	Prudential Indicator Description	2020/21	2021/22
Prl 7	Gross Borrowing exceeds capital financing requirement	No	No
Prl 8	Authority has adopted CIPFA Code of Practice for Treasury Management	Yes	Yes

Ref	Prudential Indicator Description	2020/21 Actual £m	2021/22 Target £m	2021/22 Actual £m
Prl 9	Total principle sums invested for longer than 365 days must not exceed	15.0	25.0	15.0

Ref	Prudential Indicator Description	Upper Limit	Lower Limit	Actual 2020/21	Actual 2021/22
Prl 10	Fixed Interest Rate Exposure	95.00%	40.00%	94.31%	89.54%
Prl 11	Variable Interest Rate Exposure	45.00%	0.00%	5.69%	10.46%
Prl 12	Maturity Structure of Borrowing:				
	Under 12 months	25.00%	0.00%	10.48%	18.65%
	12 months and within 24 months	25.00%	0.00%	21.72%	14.59%
	24 months and within 5 years	40.00%	0.00%	19.84%	14.87%
	5 years and within 10 years	50.00%	5.00%	0.54%	2.06%
	10 years and above	85.00%	30.00%	47.42%	49.83%

Local Indicators – As recommended by Treasury Management Panel

Ref	Prudential Indicator Description	2020/21 Actual	2021/22 Target	2021/22 Actual	Numerical Variance to Target	% Variance to Target	Met
L1	Full compliance with Prudential Code.	Yes	Yes	Yes	N/A	N/A	Y
L2	Average length of debt (years)	16.23	25.00	16.97	-8.03%	-32.12%	Y
L3a	Net borrowing costs as % of net council tax requirement.	7.02%	20.00%	7.21%	-12.79%	-63.94%	Y
L3b	Net borrowing costs as % of Tax Revenue.	4.44%	12.50%	4.64%	-7.86%	-62.89%	Y
L4	Actual debt vs. operational debt.	80.92%	85.00%	72.93%	-12.07%	-14.20%	Y
L5	Average interest rate of external debt outstanding excluding former WMCC debt	3.46%	3.30%	3.59%	0.29%	8.67%	N
L6	Average interest rate of external debt outstanding including former WMCC debt	3.54%	3.46%	3.67%	0.21%	6.15%	N
L7	Gearing effect of 1% increase in interest rate (expressed as the potential increase to the rate shown in L6 i.e. shows what the rate included in L6 would change to).	3.58%	5.00%	3.70%	-1.30%	-26.00%	Y
L8	Average interest rate received on STI vs. At Call rate.	580.00%	374.00%	680.00%	306.00%	81.82%	Y
L9							
L9a	AT call investments.	0.10%	0.05%	0.05%	0.00%	0.00%	Y
L9b	Short Term Investments.	0.68%	0.25%	0.39%	0.14%	56.00%	Y
L9c	Long Term Investments.	1.57%	0.80%	1.26%	0.46%	57.50%	Y
L9d	Property Fund Investments	4.10%	3.82%	4.04%	0.22%	5.76%	Y
L10	Average interest rate on all ST investments (ST and AT call)	0.46%	0.24%	0.29%	0.05%	22.41%	Y
L11	Average rate on all investments (excluding property fund)	0.59%	0.27%	0.42%	0.15%	54.10%	Y
L11a	Average rate on all investments (including property fund)	1.01%	0.68%	0.88%	0.20%	29.47%	Y
L12	% daily bank balances within target range.	100%	99%	100%	1.00%	1.01%	Y

Appendix 6: Tax strategy and governance arrangements – updated June 2021

1 Tax strategy statement

- 1.1 Walsall Metropolitan Borough Council will comply with its tax obligations and will only engage in reasonable tax planning that is aligned with commercial and economic activity.
- 1.2 We will maintain an open and transparent relationship with HMRC.
- 1.3 We will utilise tax incentives or opportunities for obtaining tax efficiencies where these:
- Do not carry significant reputational risk or significant risk of damaging our relationship with HMRC,
 - Are aligned with the intended policy objectives of the government which introduced the incentives,
 - Do not have a material adverse impact on the councils financial position, and
 - Are aligned with business or operational objectives.
- 1.4 We will manage tax risk in such a way as to ensure that key risk areas are monitored and material risks minimized.
- 1.5 We will comply with the requirements of CIPFA's Standard of Professional Practice for tax management.



Councillor M Bird
Leader of Walsall MBC



Deborah Hindson
Interim Executive Director of Resources &
Transformation (Section 151 Officer)

2 Background

2.1 As a metropolitan local authority Walsall Council pays taxes over to HM Revenue and Customs including (list is not exhaustive):

- Income Tax
- National Insurance
- Value Added Tax
- Landfill Tax
- Construction Industry Scheme

2.2 As a public body Walsall Council needs to ensure that it is also meeting CIPFA's Standard of Professional Practice for tax management. This defines tax management as ensuring that systems and procedures are in place and that records are maintained to secure that:

- The tax implications of any proposed transaction are properly recognised before decisions are made
- The tax implications of existing transactions are kept under review
- Tax liabilities, recoveries or obligations are:
 - Identified before the relevant transactions are entered into
 - Calculated in accordance with regulations
 - Recorded at the appropriate time
 - Accounted for in the proper tax period
 - Disclosed to the appropriate revenue-collecting authorities in the required manner
 - Documented satisfactorily at all stages.

2.3 As such, in line with the recent consultation by HMRC which focused on improving tax compliance by large businesses, this document seeks to formally set out the Council's strategy to ensure that there is a focus on transparency in its tax arrangements and that there are strong governance and risk management processes in place. The strategy therefore focuses on the following key areas with a view of ensuring the above criteria are met.:

- Tax compliance and reporting
- Developing tax knowledge of council officers and members
- Controlling and managing risks.

2.4 The council's tax strategy meets three of the council's corporate values: Accountability; Transparency; and Ethical. It fits within the council's overall financial strategy.

2.5 This tax strategy aims to provide:

- The general public with information on how the council conducts its tax affairs
- Members with assurance that the council's tax affairs are being conducted in accordance with legislation and the CIPFA Standard of Professional Practice
- Officers with what the roles and responsibilities are for tax affairs within the council.

3 Tax compliance and reporting

3.1 Tax compliance

3.1.1 Walsall Council acknowledges that it shall pay all appropriate taxes as required under UK law. It shall achieve this by the appropriate delegation of duties, as outlined in section 3.3 Governance Arrangements, putting in place appropriate financial systems and correct application of tax reporting requirements.

3.1.2 Walsall Council, in considering tax compliance, will determine the most appropriate application of tax requirements to achieve the maximum value for money for the people of Walsall. This will be achieved by:

- Keeping up to date with current tax issues and developments
- Reviewing current tax treatments to ensure they are appropriate
- Reviewing import and export requirements
- Liaising with local authority tax officers to determine a unified approach to tax treatments for common areas where it is advantageous to the council.
- Ensuring that the council has an anti-tax evasion policy in place as required by the Corporate Criminal Offences Act 2017 (Annex A).

3.1.3 All relevant documents relating to Walsall Council's tax affairs will be retained for the period required by legislation.

3.2 Tax reporting

3.2.1 Walsall Council will ensure that all tax returns to HM Revenue and Customs shall be completed accurately and in a timely manner, within the defined timescales laid out by HM Revenue and Customs.

3.3 Governance arrangements

Section 151 Officer's responsibilities

3.3.1 Walsall Council recognises its obligations to ensure that it is fully compliant with all existing and future tax laws and requirements. It is the overall responsibility of the Executive Director Resources & Transformation, being the council's Section 151 officer, to ensure that the council is tax compliant.

3.3.2 To this end the Executive Director should make arrangements to ensure the following are carried out, and that they are discharged correctly:

- Allocation of defined duties to named individuals in relation to taxation and tax matters
- That financial control systems are operating effectively to produce necessary information and minimise the risk of error
- Secure an appropriate level of knowledge and financial awareness amongst staff who might be involved in processing transactions involving elements of tax
- Provide proper assistance to any routine inspection or special investigations undertaken by the revenue authorities
- Review the justification for, and the quantum of, any assessment made as a result of any such inspection or investigation.

3.3.3 To assist them in discharging these responsibilities the Executive Director should ensure that they nominate appropriate council officers as designated tax officers, ensuring that this officer has the appropriate level of expertise and experience to discharge these duties. If the required level of expertise is not available in-house then the Executive Director should be able to obtain such assistance from professional advisors. These actions however do not negate the Executive Director's overall responsibility for the tax matters of the council.

Designated tax officers

3.3.4 Designated tax officers are responsible for the day to day tax compliance for Walsall Council. As such they are responsible for the following:

- Preparation and verification of any relevant tax returns which require the signature of the Executive Director or nominated officer
- Dealing with communications with relevant revenue authorities
- Dealing with any external tax advisors
- Keeping up to date with legislation, case law and customs and practice developments
- Determining any implication to Walsall Council for any changes in the previous
- Provision of advice to elected members, Corporate Management Team and other officers as appropriate and within the council's communication policy
- Provision of import and export advice to council officers as appropriate

- Determining when in-house expertise is exhausted/insufficient and where external specialist advice is required
- Ensuring that council officers have a sufficient level of tax awareness
- A list of designated tax officers is shown at Annex B.

4 Developing tax knowledge of council officers and members

4.1 Tax knowledge required by council officers and members

4.1.1 Walsall Council recognises that all council officers involved in financial matters /transactions at any level and members should have at least a basic awareness of tax matters. The council also recognises that the level of knowledge is dependent on a person’s position and exposure to financial matters.

4.1.2 The levels of tax awareness within the council are as follows:

- Low awareness Basic awareness of tax, who deals with employment taxes and VAT, risk to council of incorrect tax treatments
- Medium awareness General awareness of tax. If officer is a budget holder for employment taxes should be aware of requirements re: employment status. All officers dealing with charging or payments should know VAT categories for their specific areas or know who to contact if not sure. All officers should be aware of different VAT rates and what they mean.
- High awareness Comprehensive knowledge of specific taxes and general awareness of other taxes. Should be regarded as the council’s expert for specific taxes.

4.1.3 The level of tax awareness required by different council officer/member level is as follows:

Council officer, not a budget holder, whose job involves financial transactions	Low awareness
Council officer who is a budget holder	Medium awareness
Council officer who processes invoices/payments	Medium awareness
Service managers / Heads of Service	Medium awareness
Assistant Directors/Executive Directors	Medium awareness
Councillors (members)	Low/medium awareness
Designated tax officers	High awareness

4.2 Ensuring tax awareness in the council

4.2.1 The council e-learning financial management training for managers has a section for both VAT and tax awareness and is at the level required for medium awareness.

- 4.2.2 Service finance managers and finance staff should ensure that all council officers are directed to the e-learning session initially. Finance Business Partners should then ensure that officers for the service areas they support have an appropriate level of knowledge and awareness for their roles.
- 4.2.3 Designated tax officers should provide on request training materials or courses appropriate to its intended audience.
- 4.2.4 Reference guides to taxation areas should developed by designated tax officers as appropriate and made available through the intranet for council officers to refer to as required. These guides should cover regular queries. Detailed queries not covered by these guides should still be referred to the appropriate designated tax officer.

5 Controlling and managing risks

5.1 Tax risk environment

- 5.1.1 Walsall Council overall attitude towards tax is that of being risk neutral and therefore not pursuing tax aggressive policies.
- 5.1.2 Being risk neutral means that the council will balance taking advantage of tax opportunities as they arise to obtain value for money for local taxpayers against exposing the council to reputational damage, and potential legislative action from HM Revenue and Customs.

5.2 Tax planning and risk management

- 5.2.1 Walsall Council will have regards to tax implications when reviewing all its activities both current and future. This applies equally with regards to employment taxes and also value added tax.
- 5.2.2 With regards to employment taxes consideration needs to be made with regards to the employment status of anyone contracted or employed by the council. This is particularly important with regards to personal service companies.
- 5.2.3 With regards to value added tax (VAT) the following need to be considered for council activities:
- What impact does the activity have on the council's partial exemption position?
 - What VAT does any new charge have?
 - Do financial recording systems need to be updated?
- 5.2.4 For any new council activity or major project (revenue or capital) the relevant designated tax officers need to be consulted. This is to determine what tax impact is likely and its adherence to this strategy.

- 5.2.5 To determine the council's future VAT exposure with regards to exempt VAT, projections of the council's partial exemption position need to be made on a regular basis and reported to the Executive Director or nominated officer.
- 5.2.6 For land and building purchases, sales or construction projects consideration needs to be made as to whether an option to tax should be made to preserve the council's partial exemption position. This should occur at the earliest appropriate point and be reported to the Executive Director for final decision.

Walsall Council

Prevention of Tax Evasion Policy February 2019

1. Background

- 1.1 Under the Criminal Finances Act 2017 (CFA2017) the council, if found to be facilitating tax evasion via either an employee or someone working for the council (associate), could face an unlimited fine and consequent damage to its reputation.
- 1.2 Walsall Council aims to conduct its financial affairs in a law abiding manner and does not tolerate the facilitation of tax evasion by its staff or its associates.
- 1.3 To support this the council has a range of interrelated policies, procedures and guidance that provide a corporate framework to underpin its financial governance activities. These are summarised in the Counter Fraud and Corruption Policy Statement and Strategy which are available on the intranet at:
http://int.walsall.gov.uk/Service_information/Internal_audit/Counter_fraud_toolkit.

2. Scope of the policy

- 2.1 This policy applies to all council employees, associates and elected members. It aims to maintain existing high standards of conduct within the council by preventing criminal activity through tax evasion. This policy sets out the procedures that must be followed to enable the council to comply with its legal obligations.
- 2.2 This policy is part of the council's counter fraud arrangements.
- 2.3 Failure by an employee to comply with the procedures set out in this policy may lead to disciplinary action and/or prosecution.
- 2.4 Should staff, associates or members become concerned that a fellow employee, associate or elected member is facilitating a third party's tax evasion they should follow the council's whistle blowing procedure which is within the counter fraud toolkit.

3. Definitions

Tax Evasion

3.1 Tax evasion is the illegal non-payment or under-payment of taxes, usually resulting from the making of a false declaration or no declaration at all of taxes due to the relevant tax authorities, resulting in legal penalties (which may be civil or criminal) if the perpetrator of tax evasion is caught.

Tax Avoidance

3.2 Tax avoidance is seeking to minimise a tax bill without deliberate deception (which would be tax evasion) but contrary to the spirit of the law. It therefore involves the exploitation of loopholes and gaps in tax and other legislation in ways not anticipated by the law.

4. Legislation

4.1 CFA 2017 came into force on 30 September 2017. Part 3 CFA 2017 creates two separate corporate offences:

- Failure to prevent facilitation of UK tax evasion; and
- Failure to prevent facilitation of overseas tax evasion

4.2 The council would be guilty of an offence if a person commits a UK tax evasion facilitation offence when that person is acting on behalf of the council.

4.3 Under s45(4) CFA 2017 a UK tax evasion offence is either of the following:

- An offence of cheating the public revenue.
- An offence under the law of any part of the UK consisting of being knowingly concerned in, or in taking steps with a view to, the fraudulent evasion of a tax.

4.4 Under s45(5) a UK tax evasion facilitation offence is an offence under the law of any part of the UK consisting of:

- Being knowingly concerned in, or in taking steps with a view to, the fraudulent evasion of a tax by another person.
- Aiding, abetting, counselling or procuring the commission of a UK tax evasion offence.
- Being involved in the commission of an offence consisting of being knowingly concerned in, or in taking steps with a view to, the fraudulent evasion of a tax.

5. Defences

5.1 It would be a defence for the council to prove that, when the UK tax evasion facilitation offence was committed:

- The council had in place such prevention procedures as it was reasonable in all the circumstances; or
- It was not reasonable in all the circumstances to expect the council to have any prevention procedures in place.

5.2 Government guidance suggests prevention measures similar to the prevention measures under s7 of the Bribery Act 2010 when dealing with defences under the offences, these being:

- **Risk assessment**

The relevant body assesses the nature and extent of its exposure to the risk of those who act in the capacity of a person associated with it criminally facilitating tax evasion offences. The risk assessment is documented and kept under review.

- **Proportionality of risk-based prevention procedures**

Reasonable procedures for a relevant body to adopt to prevent persons acting in the capacity of a person associated with it from criminally facilitating tax evasion will be proportionate to the risk the relevant body faces of persons associated with it committing tax evasion facilitation offences. This will depend on the nature, scale and complexity of the relevant body's activities. We recognise that the reasonableness of prevention procedures should take account of the level of control and supervision the organisation is able to exercise over a particular person acting on its behalf, and the proximity of the person to the relevant body. The new offences do not require relevant bodies to undertake excessively burdensome procedures in order to eradicate all risk, but they do demand more than mere lip-service to preventing the criminal facilitation of tax evasion.

- **Top level commitment**

The top-level management of a relevant body should be committed to preventing persons acting in the capacity of a person associated with it from engaging in criminal facilitation of tax evasion. They should foster a culture within the relevant body in which activity intended to facilitate tax evasion is never acceptable.

- **Due diligence**

The organisation applies due diligence procedures, taking an appropriate and risk based approach, in respect of persons who perform or will perform services on behalf of the organisation, in order to mitigate identified risks.

- **Communication (including training)**

The organisation seeks to ensure that its prevention policies and procedures are communicated, embedded and understood throughout the organisation, through internal and external communication, including training. This is proportionate to the risk to which the organisation assesses that it is exposed.

- **Monitoring and review**

The organisation monitors and reviews its preventative procedures and makes improvements where necessary.

5.3 As such the council must ensure its policies and procedures are up-to-date and cascaded not only so that these can be pleaded in the event that a defence is required but in an effort to make people aware and try to prevent tax evasion from occurring in the first place.

6. Risk Assessment of Areas of Risk

6.1 A full risk assessment of all areas of potential tax evasion within the organisation has been carried out to identify current controls and highlight any additional actions that need to be developed. Due to the sensitive nature of the document it has not been included within this policy, but is available for review by internal audit / audit committee / the council's management team as required to inform their commitment to embedding the policy.

6.2 It is unlikely that any one individual council officer would benefit individually from tax evasion. There would have to be collusion either with a supplier or another council employee for an individual employee to benefit. However, the council's Internal Audit Team will conduct regular compliance checks as part of the audit workplan, with individual audits paying specific attention to potential areas of high risk which would be reported back to Audit Committee as required.

7. Proportionality of risk-based prevention procedures

7.1 We have a governance process and procedures to address specific risks. This includes a “whistle blowing” policy. We already have procedures in place with budget holder’s guidance, segregation of duties and a Counter Fraud Toolkit.

7.2 Independent monitoring and scrutiny takes place on manager’s IR35 decisions by payroll staff.

8. Top Level Commitment

8.1 The policy is adopted by senior officers and endorsed by Cabinet as part of the Tax Strategy.

9. Due Diligence

9.1 Reasonable care and caution is exercised when processing all transactions particularly high value/high risk area payments. Monitoring and review takes place as part of the council’s normal checks and procedures within the areas of risk outlined within the policy.

10. Communication & Training

10.1 The council’s officer responsible for information and queries on CFA2017 is the Section 151 Officer, currently the Executive Director for Resources and Transformation. This is in line with the council’s tax strategy.

10.2 All staff involved in processing and approving financial transactions will be aware of the CFA 2017 via induction, part of mandatory training and information on the Council’s intranet. This is in line with the council’s tax strategy.

11. Monitoring & Review

11.1 Monitoring and review will form part of the audit programme and regular reports back to Audit Committee in accordance with their work programme.

List of Designated Tax Officers

Overall tax responsibility	Executive Director Resources & Transformation
Employment Taxes	Payroll & Pension Manager
Indirect Taxes (inc VAT)	Senior Accountancy Officer – Financial Reporting
Import and export requirements	Senior Accountancy Officer – Financial Reporting

Cabinet – 21 July 2021

Treasury Management Annual Report 2020/21

Portfolio: Councillor Bird, Leader of the Council

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 Treasury Management year end position statement 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 TM Annual Report is presented to provide assurance that TM 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 2020/21 year end position for treasury management activities (Appendix A).
- 2.2 Despite difficult market conditions and historically low interest rates following the reduction of the Bank Of England base rate down to 0.10% in March 2020 the council achieved an average interest rate across all investments of 1.01% compared to budget of 1.59%. In monetary terms this equated to a budgetary pressure of £0.199m.
- 2.3 This has taken considerable effort and negotiation from the treasury team to secure favourable rates when considering investment options, and through the review and identification of new opportunities for investment.
- 2.4 Capital expenditure for 2020/21 was £102.837m of which £21.006m will be funded from approved borrowing (Table 2, Appendix A).

- 2.5 The actual debt position for the Council as at 31 March 2021 is £351.454m, which is within both the operational and authorised limits for external debt agreed at council on 27/02/20.

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 (2017)), the annual position statement for treasury management activities 2020/21 including prudential and local indicators (Appendix A).

4. Report detail - know

Context

- 4.1 The Treasury Management annual 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).

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 £102.837m of which £21.006m will be funded from approved borrowing (Table 2, Appendix A).
- The banking environment has continued to be one of the low interest returns. The Bank of England base rate decreased from 0.75% to 0.25% on 11th March 2020 and then reduced further to 0.10% on 19th March 2020, due to the onset of the global Covid-19 pandemic.
- Despite the situation of low interest returns throughout the financial year, 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 mitigated the budgetary pressure on investment income levels to £0.199m for the 2020/21 financial year.
- To note within the local indicators (Table 11) that the net borrowing cost as a percentage of net council tax requirement 7.02% (3a) and the net borrowing cost as percentage of tax revenue 4.44% (3b) are both within their target upper limits of 20% and 12.50%.

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.
- 4.4 The United Kingdom formally left the European Union on 31 January 2020 with a transition period that lasted until 31 December 2020 to enable both parties to negotiate their future relationship. These negotiations resulted in a trade agreement with the EU for goods only with negotiations continuing with respects to services. At present it is hard to quantify what the impact has been to the council due to the impact Covid-19 has had on the UK economy potentially masking any Brexit consequences. The Council has responded to these risks by reviewing counterparties for investments to minimise the risk to any one counter party or class of counter party.

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 treasury management annual 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 and 2017.

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 S151 Officer, Head of Finance and Deputy Head of Finance - Corporate.

5. Decide

5.1 In line with the Treasury Management Code of Practice (2017) there are a number of reports that are required to be produced and reported publicly each year. The Treasury Management Annual 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 (2017) 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 (2017) this is a backward looking document looking at performance over the previous.

Background papers

Various financial working papers.

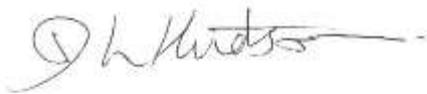
Corporate budget plan and treasury management and investment strategy 2020/21 – Council 27/02/20.

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Signed:



Deborah Hindson
Interim Executive Director – Resources
& Transformation (S151 Officer)

21 July 2021

Signed:



Councillor M Bird
Leader of the Council

21 July 2021

Appendix A

Annual Treasury Management Report 2020/21

Walsall Council
June 2021

Purpose.....	2
Summary.....	3
1. Introduction and Background.....	4
2. The Council's Capital Expenditure and Financing.....	4
3. The Councils Overall Borrowing Need.....	5
4. Prudential Indicators.....	9
5. Treasury Position at 31st March 2021.....	19
6. The Borrowing Strategy for 2020/21 and Economic Context.....	20
7. Borrowing Outturn for 2020/21.....	20
8. Investments in 2020/21 and Economic Context.....	15
9. Performance Measurement.....	17
10. The Economy and Interest Rates.....	20

Annual Treasury Management Report 2020/21

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 2020/21 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 2020/21 the following reports were produced:

- an annual treasury strategy in advance of the year (Council 27/02/2020)
- a mid-year (minimum) treasury update report (Cabinet 09/12/2020)
- an annual review of treasury management policies (Council 25/02/2021)
- 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 2020/21.

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. In order to support members' scrutiny role member training on treasury management issues has been available to all members via the e-Learning platform throughout 2020/21 and the Council's external Treasury Management Advisors Link provided a member training session in March 2021.

Summary

During 2020/21, 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	2019/20 Actual £m	2020/21 Original £m	2020/21 Revised £m	2020/21 Actual £m
Capital expenditure	69.780	98.360	217.180	102.837
Capital Financing Requirement:				
Including PFI and finance leases	357.159			370.107
Excluding PFI and finance leases	350.430			364.336
External Borrowing	307.612			347.366
Investments	214.485			219.860
Net borrowing	93.127			127.506

Other prudential and treasury indicators are to be found in the main body of this report. The Executive Director of Resources & Transformation (S151 Officer) confirms that borrowing was only undertaken for capital purposes or to support required in year cash-flow requirements.

The challenging environment of low investment returns and uncertainty of counterparty risk has continued in 2020/21. The Bank Of England base rate was reduced to 0.10% in March 2020 due to the effects of Covid-19, which would not have been accounted for in the budget set in February 2020, and therefore added a forecast pressure to investment income immediately at the beginning of the financial year. 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 able to meet unknown levels of expenditure resulting from Covid-19.

The original capital expenditure target of £98.360m for 2020/21 is based on the figure for the 2020/21 capital programme reported in the budget report presented to full Council on the 27th February 2020. This was revised within the financial year to a £217.180m target. The actual spend for 2020/21 is lower than the target due to slippage from 19/20, and amendments to the original capital programme agreed during the year, of which spend will now be incurred in 2021/22.

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.

2020/21 continued with a challenging investment environment since the reduction of the Bank of England base rate down to 0.10% in March 2020, with namely low investment returns, although levels of counterparty risk have continued to subside. The interest rate forecast at the start of the year was that the low interest rate environment would continue throughout 2020/21. An economic summary is given at the beginning of the borrowing and investment sections.

2. The Council's Capital Expenditure and Financing 2020/21

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 2020/21 will be £21.006m. It shows an increase in capital expenditure funded from grants mainly due to Growth Fund Projects, for which Walsall is the accountable body for all the Black Country Districts.

Table 2	2019/20 Actual £m	2020/21 Original £m	2020/21 Actual £m
Total capital expenditure	69.780	98.360	102.837
Resourced by:			
· Capital receipts	2.781	5.650	2.268
· Capital grants	53.057	67.040	77.648
· Capital Reserves and Revenue	1.592	0.040	1.915
· Approved Borrowing	12.350	25.630	21.006
	69.780	98.360	102.837

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 2020/21 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 Minimum Revenue Provision (MRP) Policy applied from 2015/16 until 2019/20 was as follows:

Under the Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2010, local authorities have a duty to produce an annual statement on its policy for making a minimum revenue provision (MRP).

For the financial years **2008/09** onwards the authority will be adopting the following policies in determining the MRP:

1. For any capital expenditure carried out prior to 31 March 2008 or financed by supported borrowing capital expenditure, the authority will be charging MRP at 2% of the balance at 31 March 2013 (which has been adjusted as per the 2003 regulations, i.e. net of Adjustment A), fixed at the same cash value so that the whole debt is repaid after 50 years.
2. For any capital expenditure carried out after 1 April 2008 being financed by borrowing the authority will be adopting the asset life method (option 3). This is where MRP will be based on the capital expenditure divided by a determined asset life or

profile of benefits to give annual instalments. The annual instalment may be calculated by the equal instalment method, annuity method or other methods as justified by the circumstances of the case at the discretion of the S151 Officer.

3. The authority will treat the asset life as commencing in the year in which the asset first becomes operationally available. Noting that in accordance with the regulations the authority may postpone the beginning of the associated MRP until the financial year following the one in which the asset becomes operational, there will be an annual adjustment for Assets Under Construction.

4. In all years, the CFR for the purposes of the MRP calculation will be adjusted for other local authority transferred debt.

5. The Section 151 officer shall on an annual basis review the level of MRP to be charged, as calculated as per paragraphs 1, 2 and 3 above to determine if this is at a level, which is considered prudent. Dependant on this review the Section 151 officer shall be able to adjust the MRP charge (the total cumulative adjustment will never exceed the calculated CFR variance of £24.6m identified when reviewing the current MRP policy during 2015/16). The amount of MRP charged shall not be less than zero in any financial year.

It is proposed that the Minimum Revenue Provision from 2020/21 onwards will be:

Under the Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2018, local authorities have a duty to produce an annual statement on its policy for making a minimum revenue provision (MRP).

For the financial years **2020/21** onwards the authority will be adopting the following policies in determining the MRP:

1. For all existing capital expenditure balances within the Capital Financing Requirement (CFR) held as at 1 April 2020 MRP will be applied on an annuity basis with the write down period determined by asset lives up to the maximum allowable by the regulations set out above.

2. For all capital expenditure incurred from 1 April 2020 MRP will be applied on an annuity basis with the write down period determined by asset lives up to the maximum allowable by the regulations set out above.

3. The authority will treat the asset life as commencing in the year in which the asset first becomes operationally available. Noting that in accordance with the regulations the authority may postpone the beginning of the associated MRP until the financial year following the one in which the asset becomes operational, there will be an annual adjustment for Assets Under Construction.

4. If determined by the S151 Officer the annual instalment may be calculated by the equal instalment method or other appropriate methods dependant up on the nature of the capital expenditure.

5. In all years, the CFR for the purposes of the MRP calculation will be adjusted for other local authority transferred debt, finance lease and Private Finance Initiative (PFI).

6. The S151 officer shall on an annual basis review the level of MRP to be charged, as calculated as per paragraphs 1, 2 and 3 above to determine if this is at a level, which is considered prudent. The amount of MRP charged shall not be less than zero in any financial year.

The council's CFR for the year 2020/21 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 2020/21 the council's CFR has increased by £12.949m from £357.159m to £370.108m.

Table 3 CFR (£m)	31 March 2020 Actual £m	31 March 2021 Actual £m
Opening balance	357.673	357.159
Add capital expenditure funded from approved borrowing (as above)	12.350	21.006
Less MRP	-12.864	-8.057
Closing balance	357.159	370.108

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 (£127.506m) against the CFR excluding PFIs and Finance leases (£364.336m) because the debt liability for these are not in the net borrowing position of the council. The council has complied with this prudential indicator.

Table 4 Gross borrowing and the CFR (£m)	31 March 2020 Actual £m	31 March 2021 Actual £m
Gross Borrowing	312.330	351.454
Net borrowing position	93.127	127.506
CFR – excluding PFIs and Finance Leases	350.430	364.336
Long term Assets	574.650	617.858
Net Borrowing % of Long term Assets	16.21%	20.64%

Another measure of prudence is the proportion of net to fixed assets. Table 4 shows that the net borrowing position of the council as at 31/03/21 is £127.506m which represents 20.64% 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 2020 Actual £m	31 March 2021 Actual £m
1. Authorised limit	458.391	472.173
2. Maximum gross borrowing in year	307.568	351.454
3. Operational boundary	416.719	429.248
4. Average gross borrowing	310.182	327.489
5. Financing costs as proportion of net revenue stream	4.31%	5.17%

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 2020/21 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 2020/21 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 2019/20	Target 2020/21	Position 31-Mar-21	Variance to target	
		£m	£m	£m	£m	%
Prl 1	Capital Expenditure	69.780	217.180	102.837	(114.343)	(53%)
Prl 2	Ratio of financing costs to net revenue stream	4.31%	3.78%	5.17%	1.39%	37%
Prl 3	Estimates of the incremental impact of new capital investment decisions on Council Tax	£15.36	£28.49	£28.49	0.00	0%
Prl 4	Capital Financing Requirement	381.564	380.886	380.886	0.000	0%
Prl 5	Authorised Limit for external debt	458.391	472.173	472.173	0.000	0%
Prl 6	Operational Limit for external debt	416.719	429.248	429.248	0.000	0%
Ref	Prudential Indicator	Actual 2019-20 £m	Target 2020/21 £m	Position 31-Mar-21 £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	15.0	25.0	15.0		
Ref	Prudential Indicator	Upper Limit	Lower Limit	Actual 2020/21	Position 31-Mar-21	
Prl 10	Fixed Interest Rate Exposure	95%	40%	95%	94%	
Prl 11	Variable Interest Rate Exposure	45%	0%	5%	6%	
Prl 12	Maturity Structure of Borrowing:					
	Under 12 months	25%	0%	7%	10%	
	12 months and within 24 months	25%	0%	7%	22%	
	24 months and within 5 years	40%	0%	32%	20%	
	5 years and within 10 years	50%	5%	2%	1%	
	10 years and above	85%	30%	53%	47%	

PRL 5 (authorised limit for external debt) and PRL 6 (operational limit for external debt) were approved by Council on the 27 February 2020 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 actual debt position for the Council as at 31 March 2021 is £351.454m.

Key variances are because of the following reasons:-

Prl 1 Total capital expenditure - variation of £114.343m

The original £98.360m target for 2020/21 is based on the figure for the 2020/21 capital programme reported in the budget report presented to full Council on the 27th February 2020. This was revised within the financial year to a £217.180m target. The actual spend for 2020/21 is lower than the target due to slippage from 19/20, and amendments to the original capital programme agreed during the year, of which spend will now be incurred in 2021/22.

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. However due to the low interest rate environment it is unlikely that in the medium term that any of the LOBO's will be called.

5. Treasury Position at 31st March 2021

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 2020/21 the council's treasury position was as shown below in **Table 7**:

Table 7 Loans and Investments	Opening Balance £m	Average Rate At 31/03/20 %	Movement in Year £m	Closing Balance £m	Average Rate At 31/03/21 %
PWLB loans	195.571	3.38%	0.042	195.613	3.38%
Market Loans	95.000	4.49%	0.000	95.000	4.49%
Total Borrowing over 12 months excluding WMCC debt	290.571	3.74%	0.042	290.613	3.74%
Temporary Loans	6.961	0.87%	41.000	47.961	0.87%
Total borrowing excluding WMCC debt	297.532	3.68%	41.043	338.575	3.34%
WMCC Debt	14.798	6.50%	-1.918	12.880	6.50%
Gross Borrowing	312.330	3.81%	39.124	351.454	3.45%
Waste Disposal & Cannock Chase Debtor	-4.718	6.50%	0.630	-4.088	6.50%
Borrowing	307.612	3.77%	39.754	347.366	3.42%
CFR less PFI finance & leases	350.430		13.906	364.336	
Under/(Over) Borrowing	42.818		53.660	16.970	
Debt as % of CFR	88%			95%	
Call Accounts	46.485	0.63%	-10.125	36.360	0.10%
Short Term Investments	124.000	1.24%	14.500	138.500	0.68%
Long Term Investments	44.000	1.65%	1.000	45.000	1.57%
Total Investments	214.485	1.50%	5.375	219.860	0.59%
Net Borrowing Position	93.127		34.379	127.506	

The under borrowing position the council has 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.

The true under borrowed position at the beginning of the year was £49.779m, and at the end of the year was £64.931m. This is because the under/(over) positions in the table above include temporary loans taken to fund upfront pension payments made in April 2020 for the following 3 financial years, which should be removed to show the true under borrowed position.

6. The Borrowing Strategy for 2020/21 and Economic Context

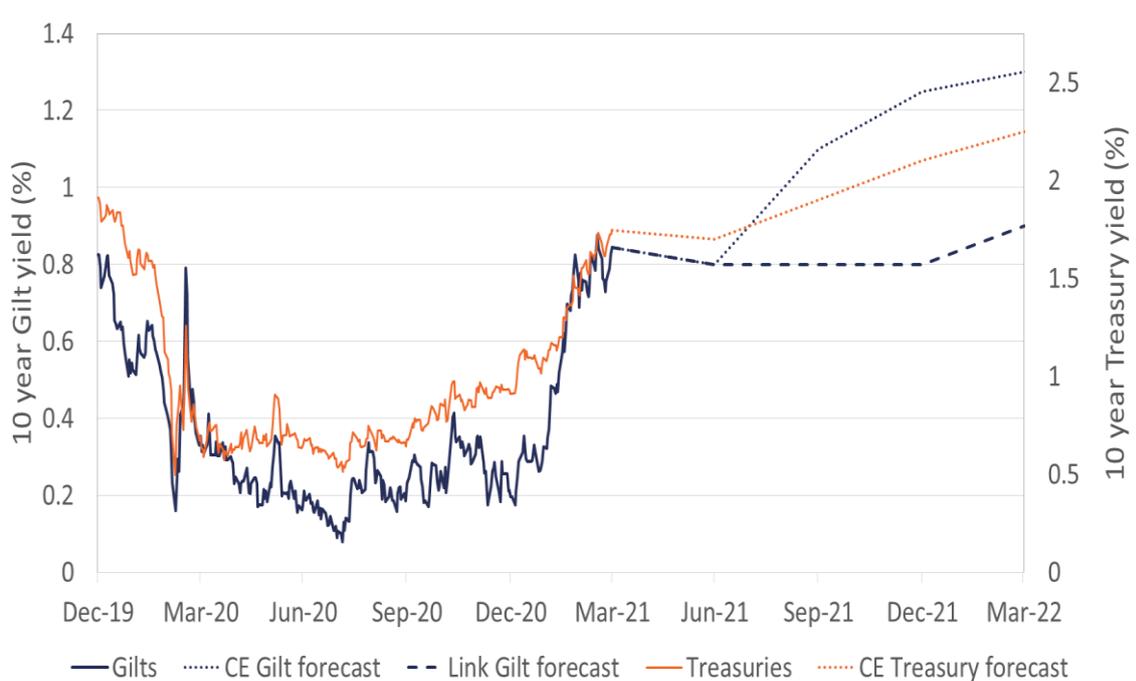
During 2020-21, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered.

Interest rate forecasts expected only gradual rises in medium and longer term fixed borrowing rates during 2020/21 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period.

7. Borrowing Outturn for 2020/21

PWLB rates are based on, and are determined by, gilt (UK Government bonds) yields through H.M.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. We have seen over the last two years, many bond yields up to 10 years in the Eurozone turn 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.

Graph of UK gilt yields v. US treasury yields



Gilt yields fell sharply from the start of 2020 and then spiked up during a financial markets melt down in March caused by the Covid-19 pandemic hitting western countries; this was rapidly countered by central banks flooding the markets with liquidity. While US treasury yields do exert influence on UK gilt yields so that the two often move in tandem, they have diverged during the first three quarters of 2020/21 but then converged in the final quarter. Expectations of economic recovery started earlier in the US than the UK but once the UK vaccination programme started making rapid progress in the new year of 2021, gilt yields and gilt yields and PWLB rates started rising sharply as confidence in economic recovery rebounded. Financial markets also expected Bank Rate to rise quicker than in the forecast tables in this report.

At the close of the day on 31 March 2021, all gilt yields from 1 to 5 years were between 0.19 – 0.58% while the 10-year and 25-year yields were at 1.11% and 1.59%.

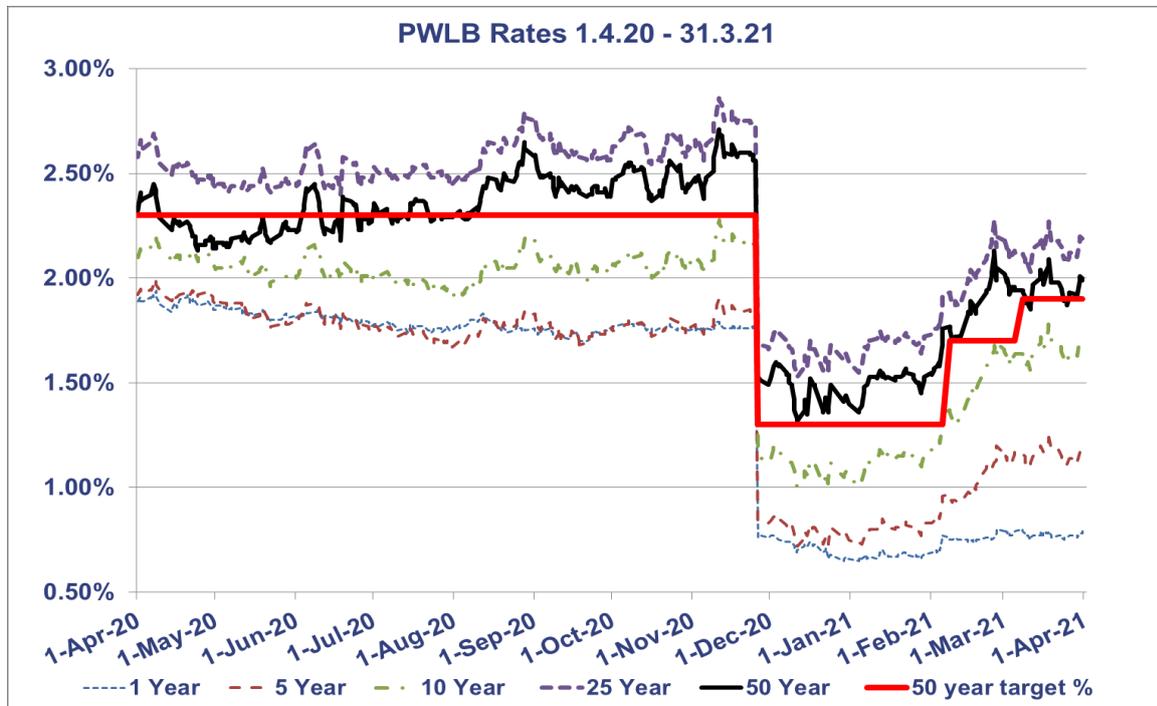
HM Treasury imposed two changes of margins over gilt yields for PWLB rates in 2019/20 without any prior warning. The first took place on 9th October 2019, adding an additional 1% margin over gilts to all PWLB period rates. That increase was then, at least partially, reversed for some forms of borrowing on 11th March 2020, but not for mainstream non-HRA capital schemes. A consultation was then held with local authorities and on 25th November 2020, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates; the standard and certainty margins were reduced by 1% but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three year capital programme. The new margins over gilt yields are as follows: -.

PWLB Standard Rate is gilt plus 100 basis points (G+100bps)

PWLB Certainty Rate is gilt plus 80 basis points (G+80bps)

Local Infrastructure Rate is gilt plus 60bps (G+60bps)

There is likely to be only a gentle rise in gilt yields and PWLB rates over the next three years as Bank Rate is not forecast to rise from 0.10% by March 2024 as the Bank of England has clearly stated that it will not raise rates until inflation is sustainably above its target of 2%; this sets a high bar for Bank Rate to start rising.



8. Investments in 2020/21 and Economic Context

Investment returns which had been low during 2019/20, plunged during 2020/21 to near zero or even into negative territory. Most local authority lending managed to avoid negative rates and one feature of the year was the growth of inter local authority lending. The expectation for interest rates within the treasury management strategy for 2020/21 was that Bank Rate would continue at the start of the year at 0.75 % before rising to end 2022/23 at 1.25%. This forecast was invalidated by the Covid-19 pandemic bursting onto the scene in March 2020 which caused the Monetary Policy Committee to cut Bank Rate in March, first to 0.25% and then to 0.10%, in order to counter the hugely negative impact of the national lockdown on large swathes of the economy. The Bank of England and the Government also introduced new programmes of supplying the banking system and the economy with massive amounts of cheap credit so that banks could help cash-starved businesses to survive the lockdown. The Government also supplied huge amounts of finance to local authorities to pass on to businesses. This meant that for most of the year there was much more liquidity in financial markets than there was demand to borrow, with the consequent effect that investment earnings rates plummeted.

While the Council has taken a cautious approach to investing, 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 financial crisis. 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 in the current climate.

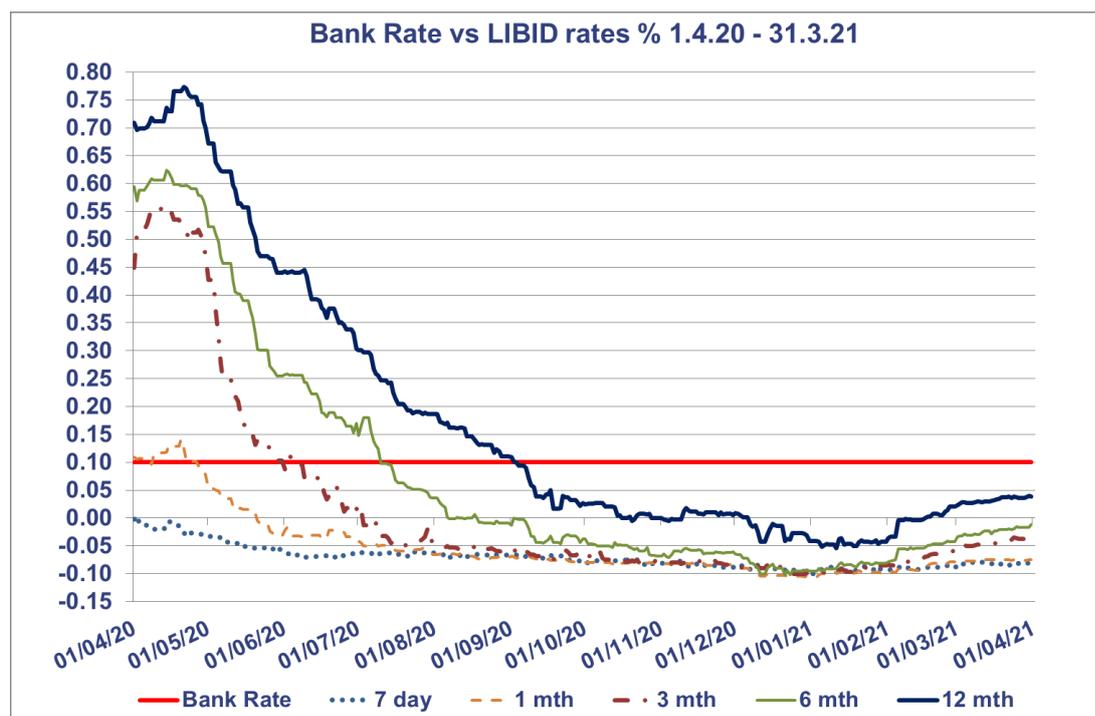


Table 9 within the report details the authority's investments by call, short and long term. The 7 day rate above (average of -0.05% across the year) is a fair comparator for at-call and the 12 month LIBID (average of 0.05% across the year) for short term investments.

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 central Government guidance, which was implemented in the Annual Investment Strategy approved by Council on 27th February 2020. 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 KPMG survey of Building Societies and 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 2020/21 Walsall's investment balance was £5.375m higher than that at the start of the year. **Table 8** below shows an age profile of the investments.

Table 8: Changes in Investments during 2020/21	Opening Balance £m	Closing Balance £m	Movement in Year £m
At Call accounts	46.485	36.360	-10.125
Between 31 days and 365 days	124.000	138.500	14.500
Over 365 days	44.000	45.000	1.000
Total	214.485	219.860	5.375

Investments held by the council - the council maintained an average balance of £221m of internally managed funds. The internally managed funds earned an average rate of return of 0.59%.

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 2020/21.

Table 9 Investments Interest – Gross Income	2020/21 Approved Cash Limit £m	Outturn at 31 March 2021 £m	Over /(under) achieved cash limit £m	% Target Rate	% Average Rate achieved
Call Account investments	0.090	0.072	(0.018)	0.60%	0.10%
Short Term Investments	1.230	1.092	(0.138)	1.10%	0.68%
Long Term Investments	0.248	0.143	(0.105)	1.65%	1.57%
Property Fund	1.169	1.231	0.062	3.90%	4.10%
Total	2.737	2.538	(0.199)	1.59%	1.01%

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 its investments and has reduced its 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 2020/21 are not yet available.

Table 10 Comparison of Walsall with other councils Average Interest Rates	Walsall Rate Received %	Average Rate Received %	Walsall Rate Paid %	Average Rate Paid %
2011/12	1.80	1.20	4.53	4.53
2012/13	2.14	1.11	4.47	4.52
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		3.42	

Council approved the following local performance indicators, the majority of which were complied with during the year, **Table 11** provides the indicators for March 2021.

Table 11 - Local Indicators		Actual 2019/20	Target 2020/21	Position 31-Mar-21	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)	19.05	Lower Limit 15 Years, Upper Limit 25 Years	16.23	N/A	N/A
L3a	Net borrowing costs as % of net council tax requirement.	6.06%	20.00%	7.02%	(12.98%)	(64.92%)
3b	Net borrowing costs as % of Tax Revenue.	3.78%	12.50%	4.44%	(8.06%)	(64.51%)
L4	Net actual debt vs. operational debt.	73.82%	85.00%	80.92%	(4.08%)	(4.80%)

L5	Average interest rate of external debt outstanding excluding OLA.	3.69%	3.35%	3.46%	0.11%	3.15%
L6	Average interest rate of external debt outstanding including OLA.	3.86%	3.53%	3.54%	0.01%	0.17%
L7	Gearing effect of 1% increase in interest rate.	3.92%	5.00%	3.58%	(1.42%)	(28.40%)
L8	Average interest rate received on STI vs. At Call rate	n/a	50.00%	580.00%	530.00%	1060.00%
L9	Average interest rate received:					
L9a	At Call investments.	0.63%	0.60%	0.10%	(0.50%)	(83.33%)
L9b	Short Term Investments.	1.24%	1.10%	0.68%	(0.42%)	(38.18%)
L9c	Long Term Investments.	1.65%	1.65%	1.57%	(0.08%)	(4.85%)
L9d	Property Fund Investments	4.16%	3.90%	4.10%	0.20%	5.25%
L10	Average interest rate on all ST investments (ST and At Call).	1.11%	1.04%	0.46%	(0.58%)	(55.57%)
L11a	Average rate on all investments (excluding property fund)	1.20%	1.11%	0.59%	(0.52%)	(46.65%)
L11b	Average Rate on all investments (including property fund)	1.50%	1.59%	1.01%	(0.44%)	(30.34%)
L12	% daily bank balances within target range.	100%	99%	100%	1.00%	1.01%

Key variances are because of the following reasons:-

L3a - Net borrowing costs as % of net council tax requirement (variance of -64.92%). The target figure of 20.00% represents an upper limit of affordable net borrowing costs as a percentage of the net council tax requirement for the authority. The actual level of net borrowing costs is currently less than the upper limit, which in the main is linked to the work undertaken by the service to seek to secure favourable rates on investments and reduced costs on borrowing, thus reducing the overall net borrowing costs.

L3b - Net borrowing costs as % of Tax Revenue (variance of -64.51%). The target figure of 12.50% represents an upper limit of affordable net borrowing costs as a percentage of tax revenues for the authority. The actual level of net borrowing costs is currently less than the upper limit, which in the main is linked to the work undertaken by the service to seek to secure favourable rates on investments and reduced costs on borrowing, thus reducing the overall net borrowing costs.

L5 & L6 – The targets set at the beginning of the year factored in borrowing at lower rates for capital expenditure. This borrowing was not required to be taken out during this financial year which has impacted upon this variance adversely as the rate for this year would have included the new borrowing at lower rates.

L8 – Average rate achieved on Short Term Interest vs At Call Rate – The target is to achieve a 50% 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). Due to historic low interest rates on At-Call investments the percentage variances as a consequence are very high, yet favourable. The average At Call rate was 0.10%, creating a 50% above target of 0.15%. The short term interest rate achieved was actually 0.68%, which results in a 530% favourable variance above the At Call rate. Due to historic low interest rates on At-Call investments the percentage variances as a consequence are very high, yet favourable.

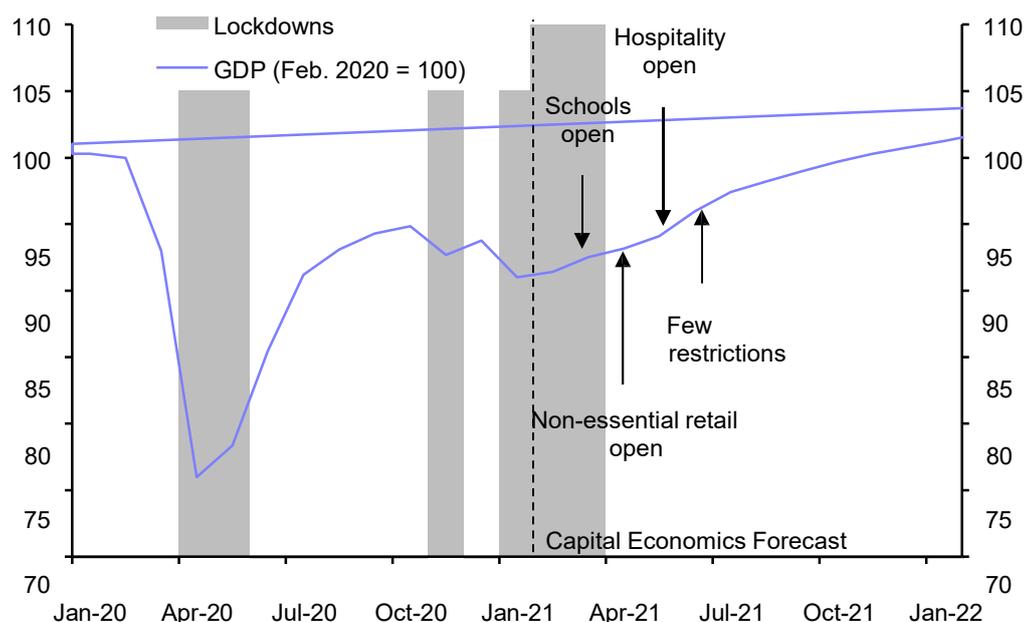
L9a-9d –At Call, Short Term, Long Term, Property Fund investment rates – The bank of England base rate was cut twice in March 2020 due to Covid-19, which has had a significant impact on all rates for the foreseeable future. The Treasury service do seek to minimise this impact by securing favourable rates on the property fund, which is currently exceeding the set target as well as seeking the most competitive rates available on all other investments.

L10 – Average interest rate on all ST investments (ST & At Call) – The authority's short term investment rate is now below target as the previously favourable short term rates within the financial year have now expired and due to Covid-19 it has been difficult to secure favourable rates again. At call rates were consistently poor throughout the year due to the rate cuts in March 2020. Overall, the combined rate achieved is 0.46% vs a target of 1.04%.

L11 & 11a – These two average rate indicators across all investments are below target similarly to above due to the base rate cuts in March 2020.

10. The Economy and Interest Rates

UK. Coronavirus. The financial year 2020/21 will go down in history as being the year of the pandemic. The first national lockdown in late March 2020 did huge damage to an economy that was unprepared for such an eventuality. This caused an economic downturn that exceeded the one caused by the financial crisis of 2008/09. A short second lockdown in November did relatively little damage but by the time of the third lockdown in January 2021, businesses and individuals had become more resilient in adapting to working in new ways during a three month lockdown so much less damage than was caused than in the first one. The advent of vaccines starting in November 2020, were a game changer. The way in which the UK and US have led the world in implementing a fast programme of vaccination which promises to lead to a return to something approaching normal life during the second half of 2021, has been instrumental in speeding economic recovery and the reopening of the economy. In addition, the household saving rate has been exceptionally high since the first lockdown in March 2020 and so there is plenty of pent-up demand and purchasing power stored up for services in the still-depressed sectors like restaurants, travel and hotels as soon as they reopen. It is therefore expected that the UK economy could recover its pre-pandemic level of economic activity during quarter 1 of 2022.



Both the Government and the Bank of England took rapid action in March 2020 at the height of the crisis to provide support to financial markets to ensure their proper functioning, and to support the economy and to protect jobs.

The Monetary Policy Committee (MPC) cut Bank Rate from 0.75% to 0.25% and then to 0.10% in March 2020 and embarked on a £200bn programme of quantitative easing (QE) (purchase of gilts so as to reduce borrowing costs throughout the economy by lowering gilt yields). The MPC increased then QE by £100bn in June and by £150bn in November to a total of £895bn. While Bank Rate remained unchanged for the rest of the year, financial

markets were concerned that the MPC could cut Bank Rate to a negative rate; this was firmly discounted at the February 2021 MPC meeting when it was established that commercial banks would be unable to implement negative rates for at least six months – by which time the economy was expected to be making a strong recovery and negative rates would no longer be needed.

Average inflation targeting. This was the major change adopted by the Bank of England in terms of implementing its inflation target of 2%. The key addition to the Bank's forward guidance in August was a new phrase in the policy statement, namely that "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and *achieving the 2% target sustainably*". That seems designed to say, in effect, that even if inflation rises to 2% in a couple of years' time, do not expect any action from the MPC to raise Bank Rate – until they can clearly see that level of inflation is going to be persistently above target if it takes no action to raise Bank Rate. This sets a high bar for raising Bank Rate and no increase is expected by March 2024, and possibly for as long as five years. Inflation has been well under 2% during 2020/21; it is expected to briefly peak at just over 2% towards the end of 2021, but this is a temporary short lived factor and so not a concern to the MPC.

Government support. The Chancellor has implemented repeated rounds of support to businesses by way of cheap loans and other measures, and has protected jobs by paying for workers to be placed on furlough. This support has come at a huge cost in terms of the Government's budget deficit ballooning in 20/21 and 21/22 so that the Debt to GDP ratio reaches around 100%. The Budget on 3rd March 2021 increased fiscal support to the economy and employment during 2021 and 2022 followed by substantial tax rises in the following three years to help to pay the cost for the pandemic. This will help further to strengthen the economic recovery from the pandemic and to return the government's finances to a balanced budget on a current expenditure and income basis in 2025/26. This will stop the Debt to GDP ratio rising further from 100%. An area of concern, though, is that the government's debt is now twice as sensitive to interest rate rises as before the pandemic due to QE operations substituting fixed long-term debt for floating rate debt; there is, therefore, much incentive for the Government to promote Bank Rate staying low e.g. by using fiscal policy in conjunction with the monetary policy action by the Bank of England to keep inflation from rising too high, and / or by amending the Bank's policy mandate to allow for a higher target for inflation.

BREXIT. The final agreement on 24th December 2020 eliminated a significant downside risk for the UK economy. The initial agreement only covered trade so there is further work to be done on the services sector where temporary equivalence has been granted in both directions between the UK and EU; that now needs to be formalised on a permanent basis. There was much disruption to trade in January as form filling has proved to be a formidable barrier to trade. This appears to have eased somewhat since then but is an area that needs further work to ease difficulties, which are still acute in some areas.

USA. The US economy did not suffer as much damage as the UK economy due to the pandemic. The Democrats won the presidential election in November 2020 and have control of both Congress and the Senate, although power is more limited in the latter. This enabled the Democrats to pass a \$1.9trn (8.8% of GDP) stimulus package in March on top of the \$900bn fiscal stimulus deal passed by Congress in late December. These, together with the vaccine rollout proceeding swiftly to hit the target of giving a first jab to over half of the population within the President's first 100 days, will promote a rapid easing

of restrictions and strong economic recovery during 2021. The Democrats are also planning to pass a \$2trn fiscal stimulus package aimed at renewing infrastructure over the next decade. Although this package is longer-term, if passed, it would also help economic recovery in the near-term.

After Chair Jerome Powell spoke on the Fed's adoption of a flexible average inflation target in his Jackson Hole speech in late August 2020, the mid-September meeting of the Fed agreed a new inflation target - that *"it would likely be appropriate to maintain the current target range until labour market conditions were judged to be consistent with the Committee's assessments of maximum employment and inflation had risen to 2% and was on track to moderately exceed 2% for some time."* This change was aimed to provide more stimulus for economic growth and higher levels of employment and to avoid the danger of getting caught in a deflationary "trap" like Japan. It is to be noted that inflation has actually been under-shooting the 2% target significantly for most of the last decade, (and this year), so financial markets took note that higher levels of inflation are likely to be in the pipeline; long-term bond yields duly rose after the meeting. There is now some expectation that where the Fed has led in changing its policy towards implementing its inflation and full employment mandate, other major central banks will follow, as indeed the Bank of England has done so already. The Fed expects strong economic growth during 2021 to have only a transitory impact on inflation, which explains why the majority of Fed officials project US interest rates to remain near-zero through to the end of 2023. The key message is still that policy will remain unusually accommodative – with near-zero rates and asset purchases – continuing for several more years. This is likely to result in keeping treasury yields at historically low levels. However, financial markets in 2021 have been concerned that the sheer amount of fiscal stimulus, on top of highly accommodative monetary policy, could be over-kill leading to a rapid elimination of spare capacity in the economy and generating higher inflation much quicker than the Fed expects. They have also been concerned as to how and when the Fed will eventually wind down its programme of monthly QE purchases of treasuries. These concerns have pushed treasury yields sharply up in the US in 2021 and is likely to have also exerted some upward pressure on gilt yields in the UK.

EU. Both the roll out and take up of vaccines has been disappointingly slow in the EU in 2021, at a time when many countries are experiencing a sharp rise in cases which are threatening to overwhelm hospitals in some major countries; this has led to renewed severe restrictions or lockdowns during March. This will inevitably put back economic recovery after the economy had staged a rapid rebound from the first lockdowns in Q3 of 2020 but contracted slightly in Q4 to end 2020 only 4.9% below its pre-pandemic level. Recovery will now be delayed until Q3 of 2021 and a return to pre-pandemic levels is expected in the second half of 2022.

Inflation was well under 2% during 2020/21. The ECB did not cut its main rate of -0.5% further into negative territory during 2020/21. It embarked on a major expansion of its QE operations (PEPP) in March 2020 and added further to that in its December 2020 meeting when it also greatly expanded its programme of providing cheap loans to banks. The total PEPP scheme of €1,850bn is providing protection to the sovereign bond yields of weaker countries like Italy. There is, therefore, unlikely to be a euro crisis while the ECB is able to maintain this level of support.

China. After a concerted effort to get on top of the virus outbreak in Q1 of 2020, economic recovery was strong in the rest of the year; this has enabled China to

recover all of the contraction in Q1. Policy makers have both quashed the virus and implemented a programme of monetary and fiscal support that has been particularly effective at stimulating short-term growth.

Japan. Three rounds of government fiscal support in 2020 together with Japan's relative success in containing the virus without draconian measures so far, and the roll out of vaccines gathering momentum in 2021, should help to ensure a strong recovery in 2021 and to get back to pre-virus levels by Q3.

World growth. World growth was in recession in 2020. Inflation is unlikely to be a problem in most countries for some years due to the creation of excess production capacity and depressed demand caused by the coronavirus crisis.

Deglobalisation. Until recent years, world growth has been boosted by increasing globalisation i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last 30 years, which now accounts for nearly 20% of total world GDP, has unbalanced the world economy. In March 2021, western democracies implemented limited sanctions against a few officials in charge of government policy on the Uighurs in Xinjiang; this led to a much bigger retaliation by China and is likely to mean that the China / EU investment deal then being negotiated, will be torn up. After the pandemic exposed how frail extended supply lines were around the world, both factors are now likely to lead to a sharp retrenchment of economies into two blocs of western democracies v. autocracies. It is, therefore, likely that we are heading into a period where there will be a reversal of world globalisation and a decoupling of western countries from dependence on China to supply products and vice versa. This is likely to reduce world growth rates.

Central banks' monetary policy. During the pandemic, the governments of western countries have provided massive fiscal support to their economies which has resulted in a big increase in total government debt in each country. It is therefore very important that bond yields stay low while debt to GDP ratios slowly subside under the impact of economic growth. This provides governments with a good reason to amend the mandates given to central banks to allow higher average levels of inflation than we have generally seen over the last couple of decades. Both the Fed and Bank of England have already changed their policy towards implementing their existing mandates on inflation, (and full employment), to hitting an average level of inflation. Greater emphasis could also be placed on hitting subsidiary targets e.g. full employment before raising rates. Higher average rates of inflation would also help to erode the real value of government debt more quickly.

Cabinet – 21 July 2021

Performance Management Framework

Portfolio: Councillor Bird, Leader of the Council

Related portfolios: All

Service: All

Wards: All

Key decision: No

Forward plan: No

1. Aim

- 1.1 To provide Cabinet with a refreshed Performance Management Framework following consideration and recommendations incorporated from Audit Committee which aims to provide assurance that the council's performance management arrangements are fit for purpose and support delivery of the council's Corporate Plan.

2. Summary

- 2.1 The report sets out the latest version of the Walsall Performance Management Framework (PMF) at Appendix One. The PMF sets out how the council ensures the delivery of its aim and priorities. It sets out the broad expectations relating to how performance management is embedded within work and underlines the performance management responsibilities for everyone working for the council.
- 2.2 The framework has been considered by the Audit Committee and their comments and recommendations have been incorporated into the final framework as set out in the report.

3. Recommendations

- 3.1 That Cabinet note and accept the comments and recommendations of Audit Committee and thank them for the Committee's assurance role in this matter.
- 3.2 That Cabinet approve the Performance Management Framework and its use by all services.

4. Report detail - know

Context

- 4.1 A performance management framework provides the structure for the council, directorates and services to effectively manage their performance. It outlines the expectations placed on services in relation to collating and monitoring performance information as part of the management of the service and provides the framework for services and all staff to recognise how their contribution connects back to the priorities of the organisation.
- 4.2 The performance management framework provides the structure against which services and directorates select the data and information used to manage performance. It provides clarity regarding responsibilities at every level of the organisation and the 'plan – do – check – act' cycle that is a foundation of the planning cycle. Effective performance management is also integral to the identification and management of risks and a key process within the council's internal controls and assurance arrangements.
- 4.3 The council has had a performance management framework in place since 2002. It is regularly reviewed to consider changes to local priorities and management arrangements along with recognised good practice. Initially the framework was one that focussed on centralised monitoring of compliance. In more recent years the framework has focused on supporting self-governance within services and directorates. The performance management framework being presented has taken into consideration the Walsall Proud Programme and Ways of Thinking approach as well as the Corporate Plan 2021-22 that was approved at Council in February 2021.
- 4.4 The Audit Committee has a key role in the council's governance arrangements by ensuring that an effective internal control environment is maintained and for considering the council's framework of assurance to ensure it adequately addresses the risks and priorities of the council. The performance management framework is part of the overall assurance framework.
- 4.5 Audit Committee considered the refreshed framework at its April meeting and made three resolutions which are detailed in the table below along with how they have been responded to.

Audit Committee Resolution	Response / Change required to the PMF
a) To note the revised performance management framework.	None required.
b) To note the '20 Markers' identified to give monitoring oversight for the priorities of the 2021-2022 Corporate Plan.	A report detailing the key measures that are being used to monitor the delivery of the '20 Markers' was presented to Audit Committee at its meeting on 8 July.

<p>c) Subject to the inclusion of appropriate 'Key Performance Indicators' the framework for approval be recommended to Cabinet as robust and fit for purpose in setting out how the council can work to ensure the delivery of its Corporate Plan 2021-2022 and secure effective and sustainable improvements for the benefit of its residents.</p>	<p>The report to Audit Committee regarding the 'Key Performance Indicators' being utilised to monitor delivery has given Audit Committee assurance in the robustness of the performance management framework. These measures will be published as an addendum to the Corporate Plan 2021/22.</p>
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4.6 The framework is attached as Appendix one to this report.

Council Corporate Plan priorities

4.7 The Performance Management Framework supports the tracking of performance against priorities and includes details of measures supporting delivery of the priorities of the Corporate Plan 2021-22.

Risk management

4.8 A thorough understanding of how the council is performing is essential to identifying and effectively managing risks and this framework supports the reporting and management of performance to inform the identification and management of risks at every level.

Financial implications

4.9 Effective performance management is key to efficient service delivery and effective allocation of resources. The framework should inform the medium term financial strategy and budget setting, enabling services to develop measures to track activity and identify potential savings.

Legal implications

4.10 There is no legal requirement but the framework supports good governance and helps to evidence that the council meets its statutory and regulatory responsibilities.

Procurement Implications/Social Value

4.11 None directly related to this report.

Property implications

4.12 None directly related to this report.

Health and wellbeing implications

4.13 The framework helps ensure delivery of all the council priorities and consequently supports health and wellbeing.

Staffing implications

4.14 The framework embeds the 'golden thread' for all employees and underlines the importance of a well-motivated workforce which is achieved through:

- Having a clear and constant vision and purpose that everyone can work towards;
- Empowering staff to give their customers the help they need in the way they need it;
- Acting on blockages that are stopping them from doing their work;
- Listening to their views and involving them in change;
- Being open and transparent about performance in a way that promotes learning rather than apportioning blame.

Reducing Inequalities

4.15 The framework helps ensure the delivery of the council's equalities duties through promoting a thorough understanding of the needs of our diverse communities and supports the delivery of our aim that "Inequalities are reduced and all potential is maximised" and our purpose by focussing on delivery of the priorities.

Climate Change

4.16 The framework includes planning and performance monitoring processes that help ensure the delivery of services and actions including those in the Councils Climate Change Action Plan.

Consultation

4.17 During the drafting of the refreshed framework input was sought from Corporate Management Team (CMT), the Director Group, performance leads from all directorates and key governance services. The framework was then presented to Audit Committee on 12 April 2021 and their feedback has been included.

5. Decide

5.1 Recommendations for Cabinet have been included in section 3 of this report.

6. Respond

6.1 The performance management framework provides portfolio holders with the structure by which they discuss with executive directors performance across all areas of their responsibility and enables them to monitor service delivery.

7. Review

7.1 The performance management framework will be reviewed alongside the development of the Corporate Plan 2022/25 and any revisions will be considered by Audit Committee prior to Cabinet's approval being sought.

Background papers

[Audit Committee Report 12.04.21](#)

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Deborah Hindson
Interim Executive Director, Resources &
Transformation (S151 Officer)

21 July 2021



Councillor M Bird
Leader of the Council

21 July 2021

Performance Management Framework 2021/2022

Review Date: January 2022

1. Introduction

The council operates to serve the people of Walsall, against the context of the council's Aim that "Inequalities are reduced and all potential maximised".

Governance supports the council in delivering outcomes by ensuring there are high standards of conduct and leadership that make sure the council does the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. As a public body the council is responsible for ensuring that its business is conducted with the highest ethical and legal standards and that public money is safeguarded and used economically, efficiently and effectively.

Figure: Achieving the Intended Outcomes While Acting in the Public Interest at All Times (CIPFA/IFAC 2014).



Performance Management is an integral part of the council's wider corporate governance arrangements which comprise the systems and processes, culture and values the council operates within as a public sector organisation (see section 'F' in diagram above).

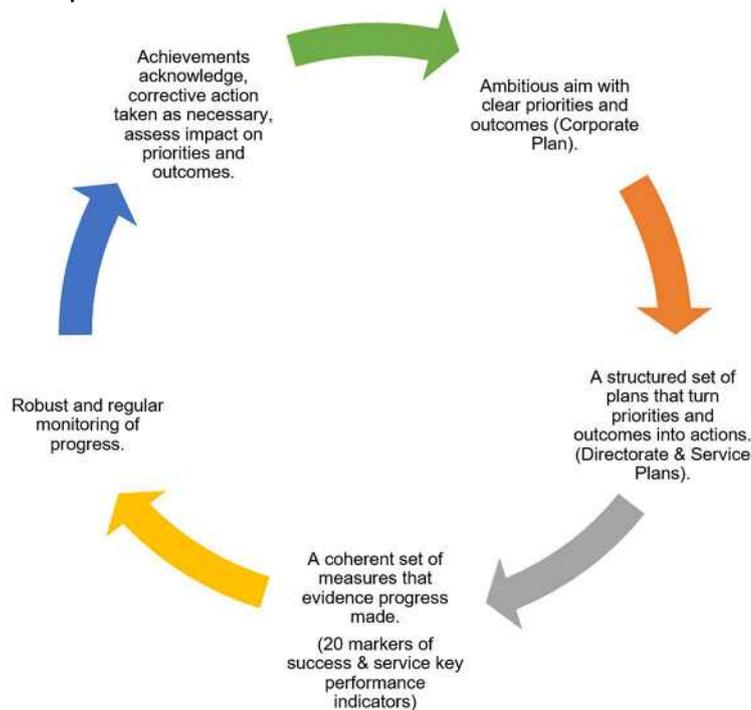
The council's Performance Management Framework (PMF) is an essential element of the council's governance, control and assurance mechanisms to deliver services efficiently and effectively, ensuring the council meets its statutory and legislative responsibilities.

In order to successfully deliver as an organisation, performance and how it is managed must be of utmost relevance to our strategies, objectives and goals. Delivering effective performance management arrangements assists any organisation in making informed decisions, delivering outcomes that support the overarching aim and play an integral role in service improvement and transformation. Performance management is key to the identification and management of risks and an essential process within our internal controls and assurance arrangements.

1.1 Definition

Within the council, performance management comprises the systems, processes, structures and supporting arrangements established by management to ensure the delivery of our aim, priorities and outcomes. Performance management is needed to be able to identify, assess, monitor, and respond to performance issues, and to allow actions to be taken which will contribute significantly to the achievement of agreed priorities and outcomes.

PMF Core Components



Simply, if we do not know how we are performing, then we do not know where improvements are needed or could be made. In addition we do not know how well something is being achieved and may not consider the impact that has on our communities.

Given the council operates to serve the people of Walsall our customers are at the centre of the services we deliver. Performance Management arrangements:

- Create clarity and constancy of purpose for all services that can be translated to individual activity / contribution, providing individuals with a clear sense of purpose and understanding of their role and contribution to the delivery of the council's aim, priorities and outcomes;
- Build an intelligence led / informed approach to strategic and operational decision making so there is no change without profound knowledge and understanding of what needs to change and why;
- Help to embed a cultural shift to learning and improvement through trust and transparency that provides development opportunities and supports effective service succession planning;

- Champion and create learning loops for continuous improvement (based on check, plan, review, do) – the opportunity for individuals to feedback from a customer perspective to improve service delivery (recognising the distributed leadership model);
- Clearly defines responsibilities of all engaged in the delivery of council services and change and improvement activity;
- Help to identify and manage risks for the council.

Managing performance includes consideration of numerous sources of quantitative and qualitative information, a detailed understanding of work flows and processes and, as importantly, the perspectives of both customers and staff regarding their experience and satisfaction with services.

1.2 Scope

This PMF sets out the arrangements for the council, directorates and services to effectively manage performance. It outlines the expectations placed on services in relation to collating and monitoring performance information as part of the management of the service and provides the approach for services and all staff to recognise how their contribution connects back to the priorities of the organisation.

In setting out the overarching approach, these corporate arrangements recognise the great diversity amongst council services and the differing levels of demand from statutory and regulatory requirements and external performance frameworks. Examples of the external demands that can be placed on services to varying degrees include:

- Submission of data in statutory returns to government bodies which is then collated and published to allow direct comparison with other local authorities;
- Reporting on statutory performance measures aligned to national outcomes frameworks;
- Inspections of services and settings by external bodies, for example Ofsted and Care Quality Commission (CQC);
- Peer challenges and sector led improvement activity (e.g. Food Standards Agency inspection of our enforcement services);
- Investigations by external organisations in response to complaints to them, for example Information Commissioners Office (ICO) and Local Government and Social Care Ombudsman (LGSCO).

The need to comply with external performance requirements means that there must be some flexibility in how different areas implement their own performance management arrangements. This framework applies to all directly managed services and change activity of the council. For those that commission services it is important that they ensure the service providers meet any information requirements to enable services to track the performance measures developed in local frameworks and that contractual arrangements cover the performance of providers.

The council's ambitious transformation programme, the Walsall Proud Programme (WPP), focuses on enabling the council to maximise the use of technology to modernise and streamline services and the delivery of the Proud Promise to:

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

WPP activity is routed in the delivery of our Corporate Plan, priorities and outcomes. As the programme delivers and new ways of working are implemented the measures and data services use to manage performance may change. For example improvements to the way technology is used may create new data sources that can be captured to evidence the delivery of corporate outcomes and priorities. As changes are embedded the impact on existing performance management arrangements should be reviewed and

2. Performance Management Framework

2.1 Why manage performance?

Any business must have a clear aim so to be clear on what it needs to do. Once there is a clear aim plans can be made regarding how that aim is delivered, what needs to be changed and what services are needed to create those changes. In general terms performance management serves as a support or guide for the delivery and improvement of services and to ensure the appropriate level of governance is maintained at all times. Actively managing performance ensures all individuals, teams and the whole organisation know the 'what' and the 'how' they should be doing and enables them to recognise achievements and also where improvements can be made. This applies equally to all services and activities.

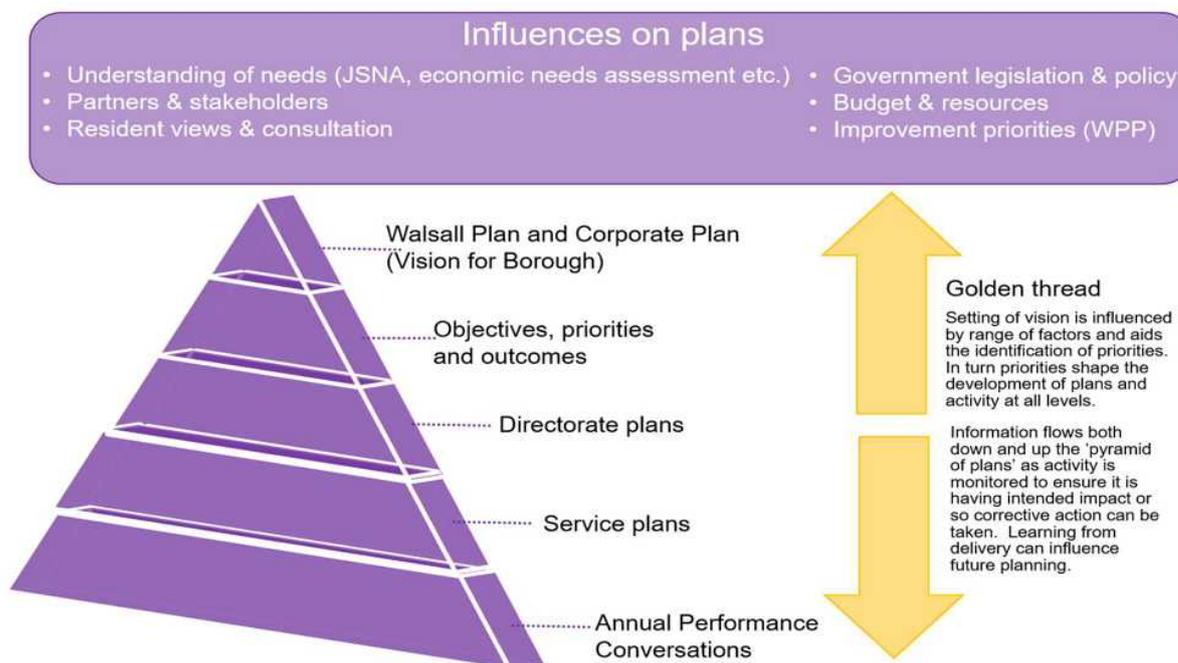
Embedding effective performance management:

- Ensures goals are prioritised and resources are allocated effectively;
- Helps improve services and outcomes for local people;
- Provides an environment that helps motivate staff as they are aware of what is expected from them and understand how they contribute to the delivery of council priorities;
- Ensures significant risks to the delivery of priorities are identified and managed;
- Assures officer and political leaders that service delivery is at expected levels and there are mechanisms to take corrective action where performance is poor;
- Ensures the council and partners achieve what they set out to do and that we focus on what matters most;
- Provides a strong evidence base for improved decision making, assurance that governance arrangements are robust, and the council is effective in its use of resources.

2.2 Planning Framework

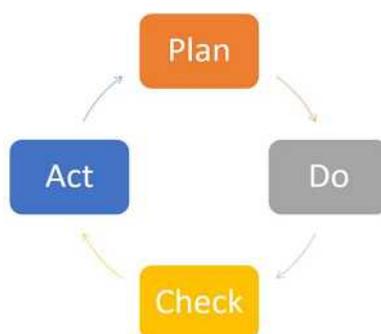
Effective performance management is delivered via a planning framework. Planning occurs at various levels as more operational (service) plans detail the actual activity and delivery that will take place. This provides an important link between the strategic corporate plan and directorate/service/team plans through to individual employee annual performance conversations, supporting all employees to understand their role in the delivery of corporate priorities.

Planning frameworks are often seen as providing the ‘golden thread’ where strategic priorities are transformed in to deliverable actions that can be monitored and reviewed so the impact they have can be understood. The council’s planning framework is illustrated in the following diagram.



2.3 Planning Cycle

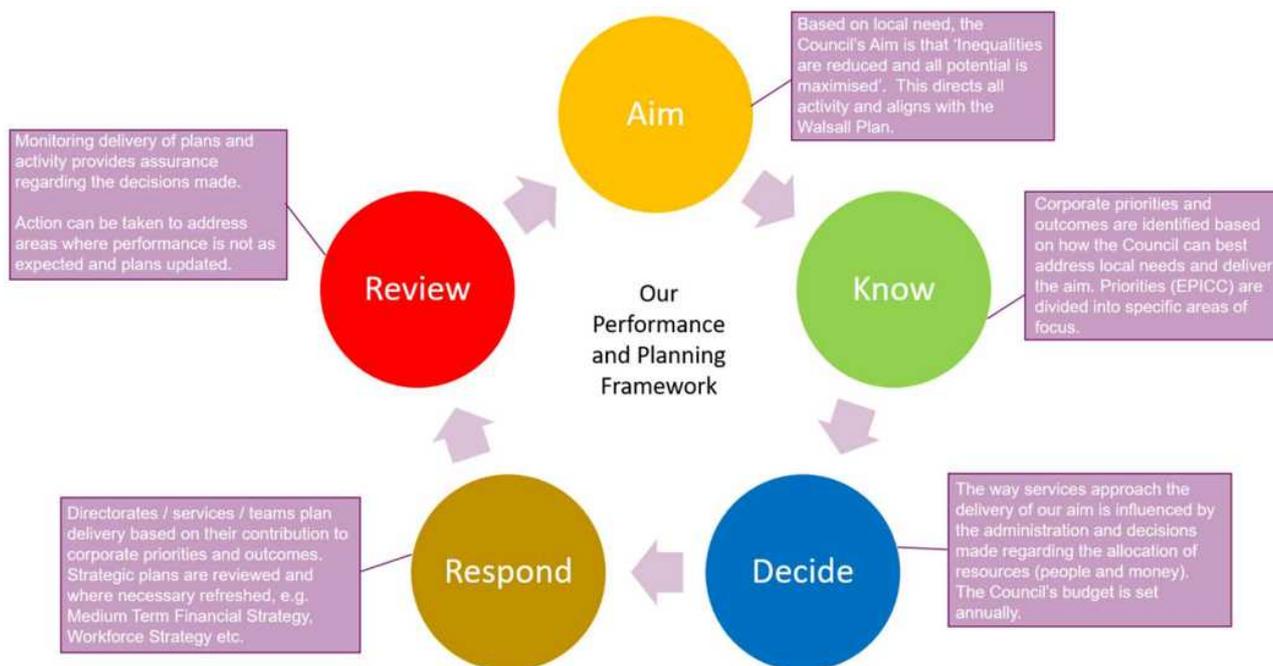
All planning is based on a cycle. Basic cycles are often described as ‘plan, do, study (or review) and act’. You **plan** what you need to do, you deliver as planned (**do**) and then you **check** how you delivered and whether it had the intended impact. Once you have reviewed delivery you **act** based on learning from the review. This could be to continue or increase activity as it is having the desired impact or changing the plan as the impact currently achieved doesn’t meet expectations. This is illustrated in the diagram below:



When conducting the check phase it is important to consider all factors that may have influenced the planned delivery in any way. Where areas of concern or underperformance are noted, there is an expectation and requirement that this will be escalated up to, for example, the Corporate Management Team (CMT) and Cabinet who will receive quarterly

performance reports on progress against the priorities in the Corporate Plan. Services are responsible for reporting performance within their directorates, ensuring issues are escalated so that appropriate action can be taken.

Learning from Walsall Proud Programme (WPP) activity the council has developed a 'Way of Thinking' model as the approach to decision making. The Ways of Thinking model can also be applied to performance management arrangements when considering the planning framework.



As planning is a continuous process, delivery is monitored and plans are checked and refreshed. This is holistic from strategic to operational with progress being reported on a minimum of a quarterly basis. The quarterly review of performance and plans informs future iterations of plans at every level from the Corporate Plan to the objectives in an Annual Performance Conversation (APC) or review. This creates a perpetual calendar as outlined below. The dates for each activity are indicative and reflect the two-way nature of the 'Golden Thread'. For example the drafting of a directorate or service plan that goes live from April will inform and be informed by the completion of APC's in March.

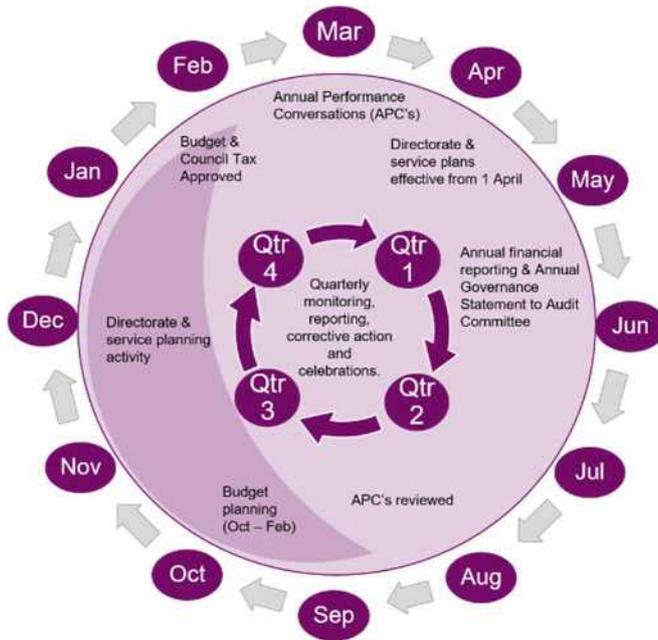
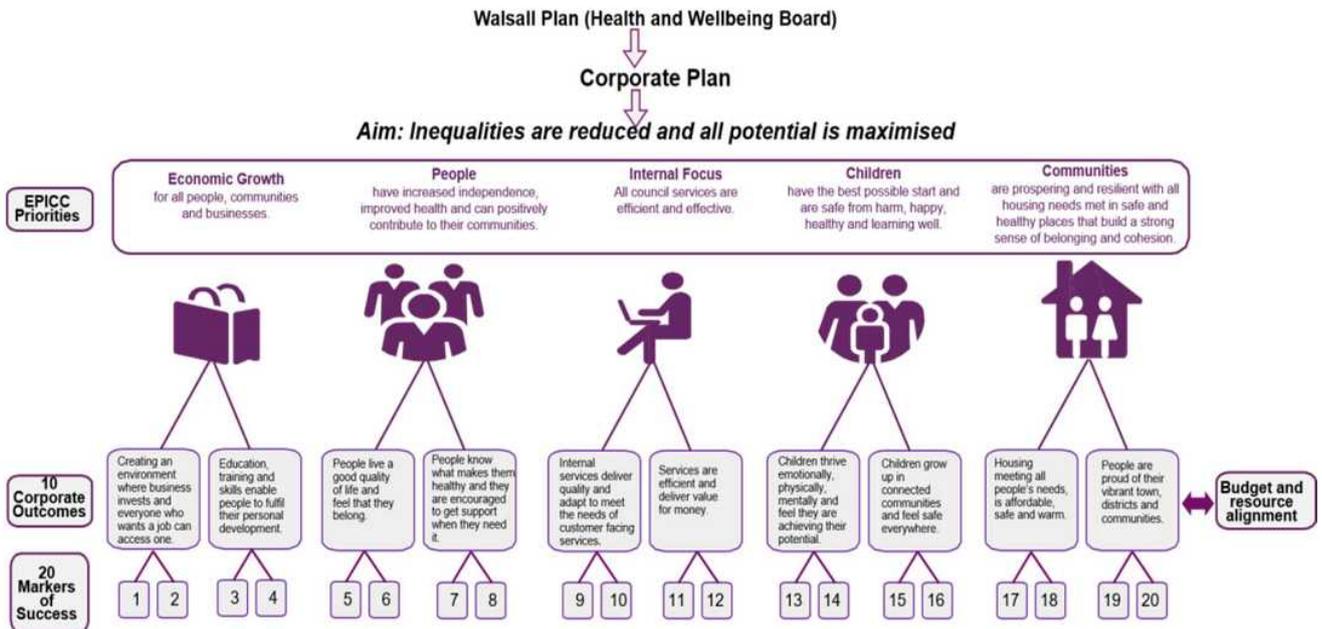


Figure: Planning Calendar

3. Performance Management

3.1. Delivering our aim, priorities and outcomes.

As highlight in section 2.2, performance management is linked to the 'Golden Thread' of delivery. For Walsall this is illustrated in the diagram below.



The 20 'Markers of Success' are developed based on the specific focus of activity for the year. This is influenced by knowledge of local need, experience of service delivery to date and what has worked and what hasn't and, ultimately, by Cabinet in the allocation of

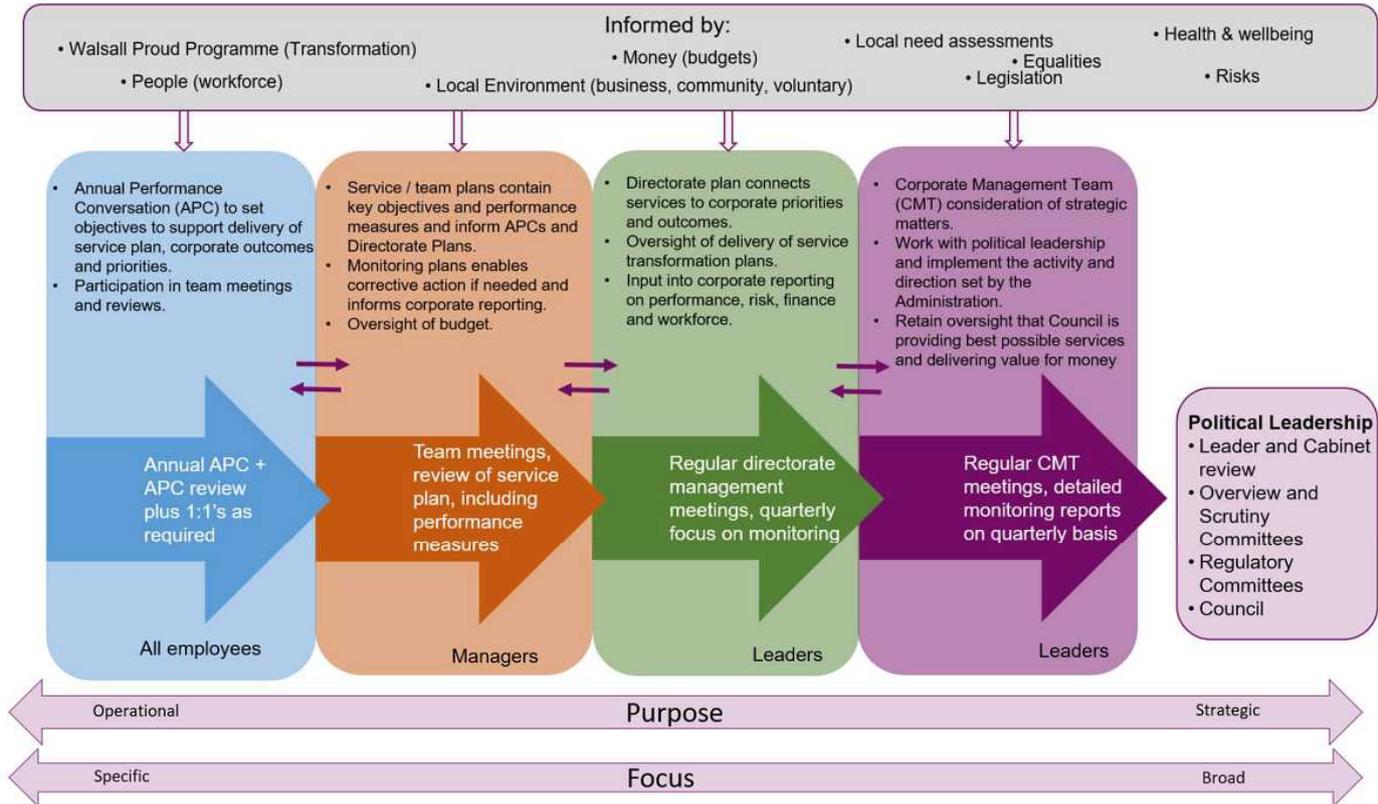
budgets and direction set. The Markers for 2021/22 are detailed in the table overleaf and will form the basis of quarterly reporting to Corporate Management Team (CMT) and Cabinet.

PRIORITIES	OUTCOMES	MARKERS OF SUCCESS
Overall Aim: Inequalities are reduced and all potential is maximised		
ECONOMIC Growth for all people, communities and business	1. Creating an environment where businesses invest and everyone who wants a job can access one	1. Businesses accessible to staff, suppliers and customers. Transport networks free from defects and congestion. 2. A combination of low unemployment figures and high vacancy figures
	2. Education, training and skills enable people to fulfil their personal development	3. Partnership working with businesses to offer apprenticeships, graduate programmes and training programmes for those wishing to re-enter the workforce 4. Increase in local supported employment and educational opportunities for residents who have additional needs. Numbers of folk from hard to reach groups helped into training
PEOPLE have increased independences, improved health and can positively contribute to their communities	3. People live a good quality of life and feel that they belong	5. Increase in people accessing reablement opportunities. Less number of vulnerable residents who are in statutory services or having out of area placements 6. Increase numbers of residents not requiring ongoing services and living independently in the community. Information and advice is accessible and signposting at the front door of community services
	4. People know what makes them healthy and they are encouraged to get support when they need it	7. Reduced numbers of residents having formal ASC assessments who are empowered to take control and informed choices with the correct information 8. More people using active travel modes. Safe and convenient cycleways and footways
INTERNAL Focus – All Council services are efficient and effective	5. Internal services deliver quality and adapt to meet the needs of customer facing services	9. Smarter commissioning of service resulting in required outputs being delivered to realise quality outcomes 10. Internal Services are regularly reviewed and delivered within budget.
	6. Services are efficient and deliver value for money	11. Internal Services have staff and processes able to adapt to meet the emerging needs of customers 12. Online portals that allow self-service, payments and order tracking are in place for ease of use for all.
CHILDREN have the best possible start, are safe from harm, happy, healthy and learning well	7. Children thrive emotionally, physically, mentally and feel they are achieving their potential	13. Children have access to high quality education and training opportunities and schools are more inclusive. Children and young people engage with education, fewer children are excluded and educational outcomes improve. 14. Children with special educational needs and disabilities are identified and supported effectively. Children in care and care leavers are supported physically and emotionally through access to health checks and health histories and are able to achieve their potential through high quality education, employment and training opportunities.
	8. Children grow up in connected communities and feel safe everywhere	15. Children, young people and families are involved in service design and development and the needs of children and families are well understood in each locality. Services and support is responsive to needs of different communities, partners are proactive in responding to these needs and children and families have easier and timelier access to services. 16. Children and families are better connected with community resources to enable them to build resilience, are involved in developing their plans and can provide regular feedback. More children and young people are supported in their family home, the response in meeting the needs of vulnerable adolescents is local and proactive with risks around exploitation reduced and fewer young people enter the Criminal Justice system.
COMMUNITIES are prospering and resilient with all housing needs met in safe and healthy places that build a strong sense of belonging and cohesion	9. Housing meeting all people's needs - is affordable, safe and warm	17. Less residents in statutory building based services 18. Increase in residents who are accessing community voluntary sector opportunities
	10. People are proud of their vibrant town, districts and communities – Paul Gordon	19. Council and partners maintain open communication with all communities and engage in cultural awareness resulting in wide range and high quality cultural offers 20. High quality, well maintained public realm and safe community spaces

3.2 Performance Management Responsibilities

Performance is everyone’s responsibility. It is an essential part of all activity from daily operations and strategic planning.

All employees are responsible for how they operate and perform. They are jointly responsible for the delivery of services, the delivery of outcomes and how well services perform in terms of meeting the needs of our customers, the delivery of our priorities and improvements to services. The following diagram illustrates the relationship between various levels of activity and role and how the Golden Thread and delivery of corporate priorities and outcomes is embedded at every level.



All Employees

- Deliver quality services to ensure customer needs are met, taking into consideration the variety of internal and external customers they have and the various ways customers may contact and engage their service;
- Recognise and understand how their role and service aligns to the Corporate Plan, priorities and outcomes, working within the resources available to the service and seeking at all times to remove waste from processes;
- Actively participate in the Annual Performance Conversation process and service / team planning and monitoring activity;
- Abide by the Employee Code of Conduct at all times.

Services and teams

- Use data and intelligence to challenge and improve performance and to identify, manage and mitigate risks. Data and intelligence can also inform needs and demands;
- Use planning and key performance indicators, both quantitative and qualitative to provide intelligence that supports informed decision making. Where required and necessary, based on the data available, services should consider development of measures that include customer experience and satisfaction;
- Ensure delivery of any national frameworks applicable to the service. This includes inspection frameworks, reporting of key performance data and surveys;
- Escalate areas of concerns and key achievements to directorate level and participate in the review and monitoring of plans to inform future direction.

Directorates

- Maintain oversight of use of resources across all services in the directorate via regular monitoring of financial, workforce and risk management in addition the key performance indicators from services. This includes monitoring delivery of Strategic Transformation Plans;
- Provide a strategic overview (plan on a page) of the key deliverables for services linking these to corporate priorities and outcomes. As a minimum the plan connects corporate priorities, outcomes and markers to directorate deliverables, including activity and performance measures;
- Hold service and team managers to account for performance and assist in identifying how improvements can be achieved;
- Ensures learning and opportunities are shared across operational and change activity to keep staff informed and also identify good practice that can be shared and implemented in other areas.

Corporate Management Team (CMT)

- Provide visible officer leadership to ensure the council's aim, priorities and outcomes are delivered;
- Ensure excellence in respect of customer service, people management, corporate governance, performance management, financial management and control, risk management and change management;
- Monitor deliver of Walsall Proud Programme and set the strategic direction;
- Receive quarterly reports to monitor the delivery of corporate priorities and outcomes, support Cabinet with any realignment of resources based on the delivery of outcomes.

Political Leadership

- **Full Council** is ultimately accountable to the public for how the council performs, sets the policy framework and overall budget envelope for the delivery of priorities and outcomes as agreed by the council and expressed in the Corporate Plan;
- **Cabinet** are the administration and lead the setting of policy and priorities in relation to service delivery, agreeing performance objectives for the services within their portfolios. They work closely with CMT and Executive Directors to monitor service performance and to review intelligence that informs decision making. They know and are accountable for what services are doing in order to maximise, improve or turn around poor performance. They receive quarterly reports on the delivery of Corporate Plan priorities and outcomes;

- **Audit Committee** is a regulatory committee and has delegated powers to ensure an effective internal control environment is maintained as this is key to the council's governance arrangements. This includes delegated powers to consider the effectiveness of performance management arrangements and how they are embedded;
- **Overview and Scrutiny Committees** are responsible for holding Cabinet to account for the delivery of corporate priorities and outcomes as expressed in the Corporate Plan. As such they may request and review performance data and make recommendations to Cabinet;
- **Ward Councillors** as community leaders and representatives of specific areas and communities understand the needs of those they represent and champion the concerns and priorities of residents, communities and businesses. Understand of local need, in partnership with detailed needs analysis from the Business Intelligence Hub influences and informs corporate decision making.

All employees have a responsibility to be aware of and deliver the requirements of this framework to support the council's governance arrangements. Regular monitoring that informs actions is a key part of the framework and responsibilities across all levels of the organisation

Support is available to ensure the delivery of performance management arrangements:

- ❖ The Behaviour Framework Guidance has recently been refreshed and there is additional information for Leaders and Managers regarding expected behaviours. Managers should also utilise the Annual Performance Conversations to have brave conversations with staff and utilise these to drive performance improvement. Additional information is available from the Learning and Development team.
- ❖ The Corporate Assurance team currently produce corporate monitoring reports, can assist with inspection preparation, provides co-ordinated horizon scanning for the organisation and supports the development of individual performance management arrangements, data collection and interpretation by working closely with director data and performance teams. This activity will move to the Hub and specifically the Policy and Strategy and Business Intelligence Units as implementation of this WPP work stream progresses. The quarterly monitoring reports are an essential part of our performance management arrangements to provide assurance that the components of the framework are embedded and that activity is positively impacting on the delivery of outcomes.

3.3 Quality Matters

As highlighted in the roles and responsibilities section quality is a key factor in terms of performance management. Quality matters in a number of ways:

- The quality and accuracy of data and information captured and used to monitor performance and service delivery informs decision making. This can be anything from the time taken to complete a task to the customer satisfaction at the end of the engagement. Data and information that is of poor quality or inaccurately

recorded may lead to poor prioritisation and resource allocation. Services must take sufficient action to improve data quality where possible and ensure it is maintained at the highest level possible.

- Having good quality data and information, both quantitative and qualitative is vital to the management of performance and to enable the council to monitor delivery, celebrate successes and take corrective action when needed. Good quality data and information informs the 'know' for our way of thinking which in turn ensures decision making is intelligence led and based on accurate information so that the council responds in the appropriate way.
- Under Data Protection Regulations and law every employee has a duty and responsibility for ensuring information that is collected, stored, processed and or shared is accurate, up to date, captured in a timely manner and shared on a need to know basis. Every employee that has responsibility for recording data in a council system has a responsibility for the quality of that data.
- Understanding local needs is based on the interpretation of a number of data sets about Walsall and its communities. This includes, for example, demographic, economic and health profile data. How these data sets are analysed and collated is vital intelligence regarding local needs which informs decision making. The accuracy of analysis and data is key due to the influence it has on decision making.
- Increasingly, qualitative information is crucial to the development of services. It is as important to understand what customer's value, want and see as priorities. As previously identified, the council operates to serve Walsall residents. Capturing and utilising quality customer data and consulting customers regarding services provides vital data and information to inform decision making at every level.

All activity should connect to the delivery of the aim, priorities, outcomes and the proud promise. Knowing how an activity or service is contributing to these strategic aims is key to ensuring resources are not wasted and that the council is focussing on what matters most. It is important that where possible council services efficiently capture and analyse information that can be used to evidence that services are having the impact intended in terms of delivering outcomes and also to inform future priorities.

Cabinet – 21 July 2021

Restart scheme

Portfolio: Councillor Adrian Andrew, Deputy Leader of the Council and Portfolio Holder for Regeneration

Related portfolios:

Service: Regeneration Housing and Economy

Wards: All wards

Key decision: Yes

Forward plan: Yes

1. Aim

1.1 The Council wishes to provide services on behalf of Serco, acting as a supply chain partner for the Restartscheme ('Restart' or the 'scheme'), which is a Department for Work and Pensions(DWP) national welfare to work programme. Restart is a key driver to address the economic impact of Covid-19as outlined in the Government Plan for Jobs. The scheme will provide intensive and tailored support to universal credit benefit claimants who have been out of work between 12 to18 months. Primeproviders will work with local supply chain partners, including local authorities, to deliver personalised support to participants. Referrals of participantswill be managed by DWP directly to prime providers, in the West Centralregion the contract has been awarded toSerco, who in turn will award to supply chain partners to deliver the contracton their behalf.

2. Summary

2.1 On 25 November 2020 the Chancellor of the Exchequer, Rishi Sunak,announced in his spending review the creation of the Restart scheme. The scheme, valued at £2.9 billion, is part of a £3.7 billion package of additional funding allocated to support frontline services and to enable DWP to deliveron 'The Plan for Jobs', a package of support to help unemployed people back into work.

2.2 This will be the first contract to be procured from the DWP Commercial Agreement for the provision of Employment and Health Related Services (CAEHRS) framework. The CAEHRS framework was procured and contracted in 2020.

2.3 Restart will provide intensive support designed to help universal benefit claimants ('participants') into sustained work. It will initially target people who

have spent between 12 and 18 months claiming Universal Credit in the Intensive Work Search Regime (IWSR). Restart will also offer a proportion of spaces for claimants at other points in their journey at the discretion of a Jobcentre work coach.

- 2.4 The scheme is designed to improve employability and the chances of sustained employment for those at risk of long term unemployment.
- 2.5 The scheme will seek to break down employment barriers that could prevent participants from finding and sustaining work. The aim is for prime providers to work with local employers and a sub-contracted supply chain to deliver tailored support for participants. Referrals of participants would be directed by individual work coaches through DWP systems to prime providers, who in turn would refer to their approved supply chain delivery partners.
- 2.6 Delivery is planned to commence in July 2021 and referrals will be made over 4-years of a 5 year contract. Restart will benefit more than 1 million universal credit claimants across England and Wales who are expected to be looking for and be available for work. The programme will provide intensive support to participants for up to 12 months with referrals being made directly from Jobcentres work coaches.
- 2.7 Prime providers will have a supply chain of local delivery partners on the basis of payments via an up-front delivery fee to help set up an appropriate delivery model, and the majority of payments will be through a 'payment by results' method.
- 2.8 In the West Central region, the contract was awarded to Serco, who have offered a contract to the Council to participate in their supply chain model.
- 2.9 This is a key decision because the Council will use its own resources to deliver on Restart and referrals of eligible claimants will be received from all four Walsall Jobcentres. The claimants are expected from all ward areas of the borough.

3. Recommendations

- 3.1 That Cabinet approves the Council to enter into a contract with Serco for a term of 5 years to act as a supply chain partner on the Restart scheme subject to intensive scrutiny, due diligence and contract negotiations.
- 3.2 That Cabinet notes the financial implications and financial risks set out in Section 4 of the report.
- 3.3 That Cabinet delegates authority to the Executive Director for Economy Environment and Communities in consultation with the Deputy Leader of the Council and Portfolio Holder for Regeneration to authorise the Council to enter into a contract and to subsequently authorise the sealing of any deeds, or signing of contracts or other related documents for such services and variations to the contract during its term.

4. Report detail - know

Context

- 4.1 The Employment & Skills Team were approached by Tier 1 prime providers bidding for the Restart contract due to reputation on delivery and recognition of the Council funded Walsall Works programme. Most prime providers also requested for Walsall Works to be part of their model as a strategic partner providing data and intelligence on the needs of Walsall residents and employers.
- 4.2 Additionally, two of the prime providers (Serco and Jobs22) asked Walsall Works to participate in their supply chain by becoming an end-to-end delivery partner for the Walsall Borough. It was anticipated that there would be 3 main supply chain delivery partners in Walsall; the Council, Steps to Work and Pathway Group.
- 4.3 On 4 February 2021 and 11 March 2021 CMT approved the Council's continued negotiations with prime providers including the submission of initial expressions of interest with individual profiles of clients to be engaged. At those stages the Council was not committed to the scheme because further involvement was subject to a formal contract award announced by DWP to a single prime provider.
- 4.4 Initial discussions regarding delivery profiles outlined a potential offer of a 1% allocation of the West Central Region contract package area, at approximately 1495 universal credit claimant referrals spanning over a 4-year delivery period.
- 4.5 The benefits of becoming an end-to-end supply chain partner are:
- Economic growth for the place, people and businesses in Walsall
 - Potential to generate income to further grow and sustain the existing Council-funded Walsall Works programme, launched in 2012
 - Help to those at risk of long term unemployment to get into work
 - Build new and more robust employer links, including greater control on matching local vacancies to local unemployed people
 - Bring jobs and funding to our area, as part of our Covid19 recovery plan
 - Work closely with the WM Combined Authority to steer valuable employer intelligence to bring forward jobs for Restart participants
 - Align adult skills budgets to bolt on and deliver accredited learning
 - Create links between Council services, local partner and services
 - Build new expertise in delivering welfare to work programmes
 - To help shape the needs and gaps for the UK Shared Prosperity Fund
- 4.6 The disadvantage of becoming an end-to-end delivery partner are:
- How we would ensure we pursue quality outcomes for people not just throughput and not just be led purely by the payment by results income
 - Reputational risk as we will be bound up with the reputation of the prime provider, who may or may not perform against its overall targets for the West Central contract area.

- Financial risk to due to our inability to meet agreed profiles which would reduce the potential income levels to cover costs for the delivery model.

4.7 In late April 2021 it was announced that DWP had awarded the Restart scheme in the West Central region to Serco. In turn, Serco progressed to mobilisation with all those partners who had expressed an interest to be a supply chain delivery partner, including the Council.

4.8 This process now involves robust due diligence, including detailed review and analysis to provide confidence in our processes, policies and practices. This is currently underway but does not commit us to formally enter into a contract.

4.9 At the time of Serco submitting their tender to DWP, it was confirmed that there were 12,125 universal benefit claimants in Walsall with the Restart scheme profiling 8,942 benefit claimants to bereferrals over the lifetime of the contract – this accounts to 74% of all claimants within Walsall being supported. In order to meet this profile, Serco have offered contracts to three supply chain partners in Walsall: Walsall Council (1495 referrals);and the residual referrals will be made to other suppliers; Steps to Work and Pathways Group.

4.10 In other local authority areas in the West Central region, Serco have also offered contract awards to Sandwell Metropolitan Borough Council and Wolverhampton City Council for 1495 claimantreferrals to each authority. Both these local authorities are also working through the governance, approvals and due diligence processes in order to consider and seek approval to accept the contract offer.

4.11 DWP have determined the contract ‘go-live’ or start date as 1 July 2021, however Serco recognise the complexities of the local government governance. Subject to Cabinet approval, the Council will agree a later contract start of late July 2021.

4.12 In early May 2021 Serco issued a draft contractto the Council for initial comments which has been reviewed by the report authors and Legal Services. Serco informed the Council that the final version of the contract must be agreed by 17 Mayand signing of the contract was anticipated on 21 May. The Council informed Serco that it would need to have detailed review of the contract and seek formal approval from Cabinet to accept and enter into a contract.

4.13 Table A – Participants

Participant Referrals (numbers)	2021	2022	2023	2024	2025	Total
Participant Referrals	178	628	528	161	0	1495
Standard outcome profile	3	96	131	77	7	314
Accelerated outcome profile	0	15	78	74	27	194

4.14 Table Aabove contains the agreed profiles of claimants over the proposed 5-year contract period with delivery over 4 years to be referred to the Council for

intensive employment support which leads to sustained employment outcomes:

- 1495 participants referrals;
- 508 participants supported into sustained job outcome (34%)
- Of these 508 job outcomes (34% of those referred) outcomes, 314 (21%) would be paid at the standard rate of £2,571.43 net income, and 194 (13%) would be paid at the accelerated rate of £3,600 net income.
- All outcomes are awarded on confirmation from HMRC that the participant has earned at least the National Living Wage for 25 year olds for 16 hours a week for 26 weeks (currently £8.91 x 16 hours x 26 weeks = £3,706.56)

4.15 Table B – Expenditure costs

The breakdown of delivery costs is at Appendix 1, a summary is set out below.

Total delivery costs

	2021	2022	2023	2024	2025	2026	TOTAL
Staff costs	140,251	369,698	400,298	305,839	167,361	39,358	1,422,805
Participant costs	17,742	78,099	147,365	117,366	35,365	0	395,937
Additional costs	63,317	59,676	59,920	60,167	60,416	8,473	311,968
Total delivery costs	221,310	507,472	607,583	483,372	263,143	47,831	2,130,710

4.16 Table B above sets the profiled delivery model expenditure costs required to meet the profiled outcomes in Table A. The costs are broken down as:

- Staffing Delivery Costs (including redundancy costs) £1,422,805
- Participant Costs (including travel, premises, IT, training) £395,936
- Additional Costs (premise, legal, finance) £311,967

4.17 Table C – Profile Income

C1 – Delivery fee only

	2021	2022	2023	2024	2025	2026	Total
Delivery fee income	182,946	199,089	129,139	96,854	37,665	0	645,693

C2 – Delivery fee plus standard outcomes

	2021	2022	2023	2024	2025	2026	Total
Delivery fee plus standard outcomes	189,797	446,492	465,607	294,889	56,025	0	1,452,810

C3 – Delivery fee plus standard and accelerated outcomes

	2021	2022	2023	2024	2025	2026	Total
Total on target income	189,797	501,472	748,375	559,587	153,080	0	2,152,311

4.18 Table C above sets the profiled income levels at three payment stages, these are calculated on the volume of referrals and job outcomes set out in Table A.

C1 - Delivery fee is a monthly upfront payment which has no job outcome conditions and will help to cash flow the delivery model (set at approximately 30% of monthly contract value). The delivery fee income is valued £645,693, as set below in Table C.

C2 - Delivery fee plus standard outcome fee is based on the delivery fee plus 21% of participants going into a standard job outcomes. Standard outcomes are achieved once the required earnings threshold has been confirmed by HMRC real time information systems through PAYE. The standard outcome fee is set at £2571.43 per participant meeting this threshold. The delivery fee plus standard income is valued £1,452,810, as set below in Table C.

C3 - Delivery fee plus standard and accelerated outcomes fee is based on the on delivery fee plus any additional participants exceeding the standard job outcome above the 21% up to the contact level of 34%. These are confirmed at the same earning thresholds as standard outcomes and the fee is set at £3,600 per participant into sustained employment. The delivery fee plus accelerated income is valued £2,152,311 as set below in Table C.

4.19 Table D – Income minus expenditure costs

D1 - Delivery fee only

	2021	2022	2023	2024	2025	2026	Total
Delivery fee income	(182,946)	(199,089)	(129,139)	(96,854)	(37,665)	0	(645,693)
Total costs	221,310	507,472	607,583	483,372	263,143	47,831	2,130,710
Shortfall / (Surplus)	38,363	308,383	478,444	386,518	225,477	47,831	1,485,016

D2 - Delivery fee plus standard outcomes

	2021	2022	2023	2024	2025	2026	Total
Delivery fee	(182,946)	(199,089)	(129,139)	(96,854)	(37,665)	0	(645,693)
Standard outcomes fee	(6,850)	(247,403)	(336,469)	(198,035)	(18,360)	0	(807,117)
Delivery fee plus standard outcomes	(189,797)	(446,492)	(465,607)	(294,889)	(56,025)	0	(1,452,810)
Total costs	221,310	507,472	607,583	483,372	263,143	47,831	2,130,710
Shortfall / (Surplus)	31,513	60,980	141,975	188,483	207,117	47,831	677,900

D3 - Delivery fee plus standard and accelerated outcomes

	2021	2022	2023	2024	2025	2026	Total
Delivery fee	(182,946)	(199,089)	(129,139)	(96,854)	(37,665)	0	(645,693)
Standard outcomes fee	(6,850)	(247,403)	(336,469)	(198,035)	(18,360)	0	(807,117)
Accelerated outcomes fee	0	(54,980)	(282,768)	(264,699)	(97,054)	0	(699,501)
Total on target income	189,797	501,472	748,375	559,587	153,080	0	2,152,311
Total costs	221,310	507,472	607,583	483,372	263,143	47,831	2,130,710
Shortfall / (Surplus)	31,513	6,000	(140,793)	(76,216)	110,063	47,831	(21,602)

4.20 Table D above contains profiled income level minus the expenditure delivery costs:

D1 - Delivery fee only based on employability support to participants referred

D2 - Standard income fee based on 21% of participants achieving standard outcomes, which is set at a lower fee of £2,571.

D3 - Accelerated job outcome fee based on a further 13% of participants achieving accelerated job outcomes, which are set at a higher fee of £3,600.

4.21 The calculations in the above tables summarise the financial position on various outcome scenarios with the accelerated outcome table (D3) recovering all costs.

4.22 Table E – Early Termination Delivery Fee payback

If there is a need to invoke the termination clause in the contract, there will be an implication for the delivery fee which in the first two years is paid upfront to support mobilisation of the contract. The potential delivery fee clawback is calculated in the table below at each year end and as the contract passes the first two years the delivery fee income will then be due to the Council from Serco.

	Dec 2021	Dec 2022	Dec 2023	Dec 2024	Dec 2025
Potential payback or (income due)	£106,116	£33,877	(£65,146)	(£37,665)	0

4.23 Table F – Walsall Works Performance

WW Outcomes - Programme Lifetime											
Outcome Type	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
Walsall Works Apprenticeships (funded)	104	262	113	73	92	22	15	11	1	0	693
Walsall Works Apprenticeships (LACs)	0	0	0	0	0	4	8	1	0	0	13
People into Apprenticeships (non-funded)	-	86	91	31	19	33	31	32	17	4	340
People into employment	-	157	180	164	160	363	272	450	315	22	2061
People supported with employability skills	295	741	611	368	442	624	427	719	540	65	4767
People into accredited training	-	75	103	40	56	126	67	162	183	10	812
People in traineeships	191	159	99	40	100	44	11	28	1	1	673
People into work placements	-	-	24	14	13	25	18	27	2	0	123
People into self-employment	-	-	1	4	2	7	5	8	7	1	34
People into Kickstart Placements	0	0	0	0	0	0	0	0	14	27	41
No of Customer Contacts	-	-	504	1058	1564	1241	1205	1728	1192	142	11471
No of job vacancies advertised	-	-	-	-	-	145	175	219	220	27	759

4.24 Table F above, provides some comparable data on our performance through the Walsall Works programme (which include our delivery on the BC Impact programme) since 2012. The table demonstrates our ability to deliver job outcomes and provides confidence in our ability to achieve the Restart volumes.

4.25 Over 9 years, Walsall Works has supported 2061 people into employment, an average of 229 each year but these have not been tracked beyond day one. Walsall Works is a voluntary programme for participants so they are willing to engage, job outcomes are measured at job entry points only (rather than for sustained employment). Participants vary in their economic circumstances, length of unemployment and present with fewer barriers to employment. Therefore, the table provides a guide and not a guarantee of future job outcome successes.

4.26 Furthermore, eligible universal credit claimants who have been unemployed for 12-18 months will be mandated onto the Restart scheme and referred to suppliers, such as the Council. These participants will have varying personal

circumstances and backgrounds which will be unknown prior to referral, they may be unwilling or unable to engage, difficult to sustain regular contact with and may not wish to be placed into employment. However, given the target group to be referred is within the Universal Credit Intensive Work Search Regime (IWSR) it is highly likely that participant will be those claimants who are ready and willing to participate in an mandatory employment support programme.

Council Corporate Plan priorities

4.27 Restart will contribute to the following Corporate Plan Priority:

Economic Growth for all people, communities and businesses. This contributes towards the outcomes of:

- Creating an environment where business invests and everyone who wants a job can access one.
- Education, training and skills enable people to fulfil their personal development.

People have increased independence, improved health and can positively contribute to their communities. This contributes to the outcomes of:

- People live a good quality of life and feel that they belong.
- People know what makes them healthy and they are encouraged to get support when they need it.

Risk management

4.28 The key risk is that the Council will be bound by a 5 year contract to provide resources for the delivery model for 4 years. It will be required to enter into a contract to deliver on a predominantly 'payment by results' welfare to work model. It will be the first time the Council has participated in this type of income model which in itself present risks due to uncertainty in our ability to achieve the requirements of the contract. It should be noted that Sandwell and Wolverhampton Council are in similar positions, so learning and best practice could be shared.

4.29 The Council will be required to underwrite and cash flow the expenditure costs for the delivery model costs, as set out in 4.15 (Table B – Expenditure Costs) which is valued at £2.130 million over the contract lifetime. This is a worst case scenario where the Council would need to pick any shortfall between expenditure and income. Regular finance reviews will take place to prevent this from happening.

4.30 Cabinet should consider all scenarios in terms of financial loss and gain.

4.31 The worst case scenario is unlikely, given our proven track of delivering job outcomes for local residents although there could be competition from other supply chain partners to access the local and regional job vacancies. Consideration should be given to the long term benefit of our participation in

such a scheme i.e. experience in delivering on a welfare to work programme, the potential to secure sustainability funding for Walsall Works.

- 4.32 The delivery model costs have been agreed between Serco and the Council, based on the anticipated level of management, staffing, ICT, participant, premises and other costs. Due to the scheme being new and the uncertainty on the needs of the participants, we recognise that some participants may require more support than others but the prime providers have set an upper limit on the value of additional participant support costs to mitigate risks.
- 4.33 There is a risk that the Council will fail to achieve the desired outcome profiles, which will be mitigated by the close scrutiny of the contract by Serco and who were keen to invite and enable local authorities, who have not previously participated in welfare to work contracts, to be a part of their supply chain.
- 4.34 There is a reputable risk to the Council if we fail to manage referral volumes and outcome profiles but this will be mitigated by the staffing structure put in place who will be recruited with the relevant experience and qualification to steer and manage programme delivery to achieve the profiled outcomes set in the contract.
- 4.35 Staffing presents a risk, if we are unable to attract qualified programme managers and advisors, to some degree this has been mitigated by mobilising existing staff in order to commence delivery on the programme from the 'go live' date and early recruitment for additional staff will start as soon as approval is secured.
- 4.36 There is a risk if we are impacted by another Covid19 variant which impacts our face to face delivery model, Serco have confirmed that appointments can be virtual if the country is forced back into lockdown measures.
- 4.37 A draft project plan has been prepared which includes detailed financial modelling, project delivery models, governance, management structure, monitoring, reporting and control. This includes risk assessment, exit strategies and equality impact.
- 4.38 There is no intention that a profit or surplus will be made from the contract and this will ensure we remain compliant with the Council's power to charge for discretionary services pursuant to section 93 of the Local Government Act 2003. Given the primary reason for participating is not the trading of profit, the Council may generate a surplus which could be invested in the delivery model or elsewhere in other related services. The most important factor is the Council must break even and not make a loss on this contract to manage financial risks.
- 4.39 The profiles and financial modelling indicates that income and expenditure levels may result in a small net surplus, however if required these will help to account for any non-profiled overheads costs i.e. heating, lighting, caretaking, cleaning, print.

- 4.40 The draft contract states that Serco have right to terminate the contract 'for convenience', which in the absence of any definition or guidance elsewhere in the contract, increases the risks for both parties about the circumstances in which Serco may do so. The Council have requested a two way agreement to terminate 'for convenience' and at this stage Serco have confirmed a side letter to contract would be issued to enable exit from the contract.
- 4.41 It is to be noted that if termination or withdrawal of the contract occurs by either parties, consideration will need to be made on the payback of the upfront delivery fee as well as impact on delivery staff, any potential TUPE of staff to a new delivery partner or any redundancy costs incurred.
- 4.42 Delivery costs may present financial risks if we are unable to meet outcome profiles, however Serco have already pre-populated the indicative job roles and positions required based on the minimum caseload size per advisor. Through regular provider meetings, we will be able to highlight financial risks in the delivery model in order to consider the requirement on job roles and positions.
- 4.43 Clawback of funds will not be a risk, as the Council will provide the resources out of its own internal budgets to establish the delivery model in order to provide the contractually required services. This will put the Council at risk, as Serco will pay the majority of the income to the Council on the achievement of job outcomes. The job outcomes which will be calculated through the HMRC real time information PAYE systems to verify that participants have commenced paid employment and reached the minimum earnings threshold of approximately £3,706.56.
- 4.44 Costs associated with participant tracking and monitoring will not be an issue, as Serco will put in place a dedicated client record management system (Jasper) which will track each stage of the participant journey.
- 4.45 There is a risk that the Council fails an independent audit, and as a result risks a loss of reputation. This will continue to be managed and mitigated through the financial and programme management systems including the client record system. To complement audits and to ensure we manage any risks, internal audit checks will be put in place including the introduction of performance and output monitoring.
- 4.46 There is a risk that the Council will fail to deliver against the profiles. This could present a financial risk which will be managed and mitigated through our experienced of the Council's Employment and Skills Team, who have a proven track of managing large and complex employed related regeneration programmes.
- 4.47 Restart will support those universal credit claimants who are 12-18 months unemployed and hence may present with entrenched or complex needs, however it is highly likely that these claimants will have been displaced by the pandemic and therefore actively seeking work, willing to work and closer to the labour market.

- 4.48 There is a risk that the Council will be referred young claimants which may conflict with our ability to perform on the ESF funded BC Impact programme, whilst we will not have any control on the participant referrals, we have already indicated this conflict to Serco who may be able to encourage referrals of those aged 30+.
- 4.49 All three suppliers for Serco will be engaging with employers to bring forward vacancies which could create a risk with being able to access a sufficient volume of jobs for our participants.

Financial implications

- 4.50 The financial model for the programme is expected to cover the full delivery costs leaving a small surplus balance of £22k at the end of the scheme.

Table below contains profiled income level minus the expenditure delivery costs:

	2021	2022	2023	2024	2025	2026	Total
Delivery fee	(182,946)	(199,089)	(129,139)	(96,854)	(37,665)	0	(645,693)
Standard outcomes fee	(6,850)	(247,403)	(336,469)	(198,035)	(18,360)	0	(807,117)
Accelerated outcomes fee	0	(54,980)	(282,768)	(264,699)	(97,054)	0	(699,501)
Total on target income	189,797	501,472	748,375	559,587	153,080	0	2,152,311
Total costs	221,310	507,472	607,583	483,372	263,143	47,831	2,130,710
Shortfall / (Surplus)	31,513	6,000	(140,793)	(76,216)	110,063	47,831	(21,602)

Delivery fee only based on employability support to participants referred
Standard income fee based on 21% of participants achieving standard outcomes, which is set at a lower fee of £2,571.
Accelerated job outcome fee based on a further 13% of participants achieving accelerated job outcomes, which are set at a higher fee of £3,600.

- 4.51 There is a risk that the outputs set are not achieved in full and may impact the income that we receive. Various scenarios have been calculated:

Scenario 1 -No outcomes achieved - £1.485m loss
 Scenario 2- Standard outcomes achieved only - £678k loss
 Scenario 3 – All outcome achieved - £22k surplus

Full details can be seen in section 4.19

- 4.52 To mitigate the risk in the event of outputs not being fully achieved an early clause will be built into contract allowing either party to terminate contract to minimise any potential losses.
- 4.53 If there is a need to invoke the termination clause in the contract, there will be an implication for the delivery fee which in the first two years is paid upfront to

support mobilisation of the contract. The potential delivery fee clawback is calculated in the table below at each year end for the life of the contract.

4.54 If the termination clause was invoked, the Council would have to pay back a proportional amount of the delivery fee, above, and also have to absorb the scheme delivery costs minus any income accrued at the point of termination.

4.55 If the contract were to be terminated early the financial impact would be as follows:

End of Year 1 – £138k – (£106k delivery fee payback and £32k delivery costs shortfall)

End of Year 2 - £125k (33k delivery fee payback and £92k delivery costs shortfall)

Legal implications

4.56 Legal costs have been profiled into the delivery model.

4.57 Legal Services have been consulted at various points during the expression of interest and mobilisation process.

4.58 The legal implications of the Council trading and generating income have been dealt with in the business case for this proposal, with summaries of the forecasts to demonstrate the Council breaking even and how it will treat any surplus set out earlier in this report.

4.59 A draft contract has been issued by Serco setting out their proposed terms and conditions, some of which have passed down from DWP. Legal Services have reviewed this and made some initial observations and recommendations for the report authors to consider; this will involve consulting with other Council officers about various aspects, such as the insurance requirements. The final contract will be subject to further scrutiny by the lead author.

4.60 Both the report authors and Legal Services have identified a concern within Serco's proposed draft contract that whilst Serco will have an option to terminate at any time by giving at least 90 days' notice, this is not a mutual break clause, so the Council cannot serve an equivalent notice and could therefore be obliged to continue with service delivery for 5 years, even if circumstances have changed and made the Council's position and resource provision untenable.

Procurement Implications/Social Value

4.61 There are no procurement implications for the Council.

4.62 The scheme contributes to the wider principles of social and economic value in all elements of the Council social value charter, particularly in support of local people.

Property implications

- 4.63 Co-location venues and premises have already been identified as part of the delivery model and risk assessments for these sites have already been conducted. Further inspection on suitability will be concluded prior to contract start and costs to meet the hire of rooms has already been costed in the delivery model. This also helps to support and build capacity of the voluntary community sector in the delivery of employability programmes, this could also involve volunteer support.
- 4.64 Existing community venues and partners premises have been identified and will be used as satellite offices with meetings spaces for advisors and their participants. These arrangements have already been negotiated and put in place for delivery of Walsall Works and BC Impact, but may need to be formalised to ring fence Restart delivery. This will enable community venues to enter into formal arrangement and will support with providing a regular income stream for community groups within key deprived ward areas.
- 4.65 An opportunity to have a centralised office in the town centre for Restart scheme would greatly benefit accessibility and access to support. This request has been put forward as part of the wider town centre masterplan proposals

Health and wellbeing implications

- 4.66 Restart will make a positive contribution to the health and wellbeing of those who are referred for support. Being in good work which offers a safe and secure job is better for your health than being out of work. Research provides clear evidence that that good work improves health and wellbeing across people's lives and protects against social exclusion. Conversely, unemployment is bad for health and wellbeing, as it is associated with an increased risk of mortality and morbidity.
- 4.67 For many individuals, in particular those with long-term conditions such as mental health problems, musculoskeletal (MSK) conditions and disabilities, health issues can be a barrier to gaining and retaining employment. The scheme will help to mitigate the costs from worklessness and sickness absence which amount to millions in public services.
- 4.68 The scheme should aim to address and remove health related barriers through collaborative working with public private and third sectors organisations and by signposting to clients to public and national health services
- 4.69 The Council has a statutory duty to promote health and wellbeing. Colleagues from Public Health are actively involved in the economic regeneration programmes such as Impact, Walsall Works and Kickstart. Working together we will promote healthy lifestyle initiatives to support the health and wellbeing of the Restart participants.

- 4.70 Long term unemployment leads to poorer health outcomes, therefore actions that support and enhance employment chances have an important role in improving health for the participants and their families. The Restart scheme will enhance the economic circumstance of people who participate, thus improving health and wellbeing outcomes for the wider community.
- 4.71 Public Health will support to map out all health and support services available through existing contracts and commissions, hence helping to ensure these services are fully utilised and also mitigating the Restart delivery model covering costs to address health barriers and issues.
- 4.72 A quality officer will be appointed, whose role it will be to assess the quality of the client journey which will include assessment of their health and wellbeing. Subject to income levels there may be an option to consider appointment of a dedicated Health and Wellbeing Officer, whose role will be to support advisors to access health support and public health services for participants. Alternatively, we could identify this resource from the existing Public Health team.
- 4.73 The Restart delivery model will include health and wellbeing action plans to be completed by employment advisors to assess any participant health barriers.
- 4.74 The Restart scheme will take into account and contribute towards the policy objectives from the Marmot review.

Staffing implications

- 4.75 The Council may mobilise some existing staff funded through the Economic Growth Programme into Restart roles, which would also help to mitigate any financial risks. The process to transfer has commenced and capacity within Employment and Skills team to support Restart has already been identified with currently one member of the team supporting the mobilisation of Restart.
- 4.76 The contract states that Serco and the Council will agree that TUPE is not expected or intended to apply at the end of the agreement, so the risk of Council staff being eligible for redundancy payments should be considered. The Council will be able to indemnify the New Employer for losses incurred by Serco and/or any New Employer as a result of or in connection with a TUPE transfer claim.
- 4.77 Some new appointments to set up the Restart scheme will be required, to complement existing staff who have been transferred. Once the team has been appointed, the redundancy costs for all staff will be calculated into the delivery model and these have been profiled into the delivery model costs.

Reducing Inequalities

- 4.78 An Equality Impact Assessment will be prepared for the Restart scheme outlining the support it will provide to Walsall residents who face economic, social and financial exclusion with multiple personal characteristics. Restart

will promote economic wellbeing and support participants to overcome barriers i.e. poor health, debt, housing and skills deficits through personalised one to one support. Restart will pro-actively engage employers to play a role in addressing disparity in workforces and help to improve recruitment methods which may prevent an unemployed participant joining the labour market due to their status, age, race, background, personal circumstances, special education needs and disabilities.

Climate Change

- 4.79 The scheme will consider how it can contribute towards the Climate Change Action Plan agreed by the Council in 2020 and in particular how to minimise waste and energy. The scheme delivery has already considered how it can reduce its carbon footprint whilst delivering the contract, through mitigating waste through the introduction of an electronic method of client record keeping rather than a paper based approach and how it enables virtual client engagement and contact wherever possible, hence reducing the waste and carbon emissions through travel. Clients will also be encouraged to use public transport methods of travel.

Consultation

- 4.80 All relevant Council directorates have been consulted and involved in the development of the Council Restart scheme in the preparation of reports.
- 4.81 The governance for the Restart scheme programme will be managed through the Walsall Works Management Board, chaired by the Deputy Leader of the Council and Portfolio Holder for Regeneration and involving senior representatives from all directorates together with finance colleagues.
- 4.82 Corporate Management Team members have been briefed on the Restart scheme on 4 February 2020 and 11 March 2021 and approved their support to continue to participate with submitting expressions of interest to prime providers.
- 4.83 Walsall Employment and Skills Board, have received a presentation on the Restart programme and the potential contract offer to Walsall Council and other suppliers.
- 4.84 Consultation with the West Midlands Combined Authority, Local Enterprise Partnerships and Local Authorities has been limited, due to the confidentiality agreements in place with providers which limited the ability to share indicative profiles. Now that the contract has been awarded these organisations will work closely to share performance, progress, delivery models and to share best practice. Working in partnership will be key to our joint success in delivering on the Restart scheme.
- 4.85 The Council has established links with community organisations which will be further strengthened due to the ability to co-locate delivery in outreach venues.

5. Decide

- 5.1 If Cabinet approves the Council becoming a supply chain partner and entering into a contract with Serco, this will commit the Council to set up the required delivery model and deliver on the scheme for the length of contract.
- 5.2 The Council's participation in Restart accepts responsibility to engage and support 1495 participants, moving 508 participants into employment to be measured at the point they reach a minimum income threshold.
- 5.3 Decide if the Council's Employment and Skills Team should programme manage and lead delivery on the Restart scheme through the Serco contract.

6. Respond

- 6.1 If approved by Cabinet it will allow the Council to continue with due diligence, and mobilisation in order to be ready to deliver on the Restart contract from our intended start date late July 2021. To support mobilisation three existing staff will move into place to establish the relevant programme management systems, develop operational arrangements to deliver and undertake relevant training.

7. Review

- 7.1 Progress with Restart will be reviewed by the Walsall Works Management Board, which has representation from each directorate, through various reports and dashboards, with meetings to be held every quarter either virtually or face to face. Further scrutiny will take place through reports to the Walsall Employment and Skills Board, currently chaired by Walsall College.
- 7.2 Weekly mobilisation meetings and programme management will take place with Serco, this has commenced and will be built into the scheme to capture and review how the programme is progressing and the quality of service provided for its participants. This process should help to shape our delivery model, ensuring that it delivers what participants require to progress to meaningful employment.
- 7.3 The Employment and Skills Team will continue to review guidance and seek clarification from other supply chain partners, such as Wolverhampton and Sandwell Councils and local Restart supply chain partners such as Steps to Work to share issues and learn lessons on delivery.

Background papers

The full government guidance for the scheme is on the Restart gov.uk webpage.

Appendix 1- Full Expenditure Breakdown.

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Simon Neilson
Executive Director for Economy Environment
and Communities

12 July 2021



Councillor Adrian Andrew
Deputy Leader of the Council and
Portfolio Holder for Regeneration

12 July 2021

Appendix 1

Total expenditure and delivery model costs, are outlined below:

Staff Delivery Costs							
	2021	2022	2023	2024	2025	2026	Total
1 x Programme Manager (£51,727.97 pa)	39,182	52,765	53,292	53,825	54,364	18,302	271,732
1 x Regeneration Asst (£33,711.54 pa)	17,114	27,656	27,933	28,212	28,494	9,593	139,005
1 x Employer Engagement (£47,889.67 pa)	28,214	48,851	49,340	49,833	16,777	-	193,016
1 x Quality and In Work Of (£47,889.67 pa)	24,183	48,851	49,340	49,833	37,748	-	209,957
6* x Employment Advisors (£37,084.79 pa)	30,995	184,852	210,791	115,574	12,287	-	554,501
Staff phones and car mileage	560	6,720	9,600	8,560	5,040	1,840	32,320
Staff Redundancy costs					12,649	9,622	22,271
Total Staff Costs	140,250	369,697	400,297	305,839	167,361	39,358	1,422,805

*6 posts as at July 2022

Participant costs

	2021	2022	2023	2024	2025	2026	TOTAL
Appointment travel	1,973	17,414	19,620	9,622	685	0	49,316
Additional travel	4,209	14,444	12,144	3,703	0	0	34,500
Training	3,400	13,600	34,000	30,600	10,200	0	91,800
PPE	4,284	17,136	42,840	38,556	12,852	0	115,668
Childcare	2,176	8,704	21,760	19,584	6,528	0	58,752
Specialist	1,700	6,800	17,000	15,300	5,100	0	45,900
Total Participant Costs	17,742	78,098	147,364	117,365	35,365	0	395,936

Additional costs

	2021	2022	2023	2024	2025	2026	TOTAL
Co-location Costs	17,625	35,250	35,250	35,250	35,250	0	158,625
Tablet Devices	18,000	0	0	0	0	0	18,000
Specialist software	600	0	0	0	0	0	600
Loan Devices	7,500	0	0	0	0	0	7,500
Legal costs	7,500	0	0	0	0	0	7,500
Accountant (G9)	12,091	24,425	24,670	24,916	25,165	8,472	119,742
Total Additional Costs	63,316	59,675	59,920	60,166	60,415	8,472	311,967

Total Delivery Costs

	2021	2022	2023	2024	2025	2026	Total
Staff costs	140,250	369,697	400,297	305,839	167,361	39,358	1,422,805
Participant costs	17,742	78,098	147,364	117,365	35,365	0	395,936
Additional costs	63,316	59,675	59,920	60,166	60,415	8,472	311,967
Total Delivery Costs	221,309	507,472	607,582	483,371	263,142	47,830	2,130,709

Cabinet – 21 July 2021

Civil Parking and Moving Traffic Enforcement contract:

Portfolio: Councillor Adrian Andrew, Deputy Leader and Regeneration

Related portfolios: None

Service: Highways and Transport

Wards: All

Key decision: Yes

Forward plan: Yes

1. Aim

- 1 To provide a mechanism to enforce parking, bus lane and moving traffic contravention restrictions that are necessary to maintain the safe and efficient operation of the public highway.

2. Summary

- 2.1 The report requests approval to award a contract for the provision of civil parking and moving traffic enforcement services covering the period from 1 October 2021 – 30 September 2028.
- 2.2 The report further requests approval for a short extension of the existing enforcement contract to enable conclusion of the tender process and 8 week mobilisation period following contract award.
- 2.3 The contracted services will mainly comprise of the on street enforcement of parking and bus lane restrictions and will also include moving traffic contraventions in December 2021 when it is anticipated that the required powers will be made available by the Department for Transport (DfT).
- 2.4 Enforcement of these restrictions will reduce instances of illegal parking that creates risk to other motorists, cyclists and pedestrians whilst also assisting with maintaining the reliability and punctuality of bus services and domestic waste collections.
- 2.5 This is a Key Decision because it will result in the Council incurring expenditure which is, or the making of savings which are, significant, having

regard to the Council's budget for the service and is likely to have significant impact on two or more wards within the borough.

3. Recommendations

Following consideration of the confidential information in the private session of the agenda, Cabinet is recommended to:

- 3.1 Approve the award of contract to APCOA Parking(UK) Ltd for the provision of civil parking and moving traffic enforcement services, 1 October 2021 – 30 September 2026.
- 3.2 Delegate authority to the Executive Director for Economy, Environment and Communities, in consultation with the Cabinet Member for Regeneration, to authorise the award of the additional 2 further optional 1 year extensions, 1 October 2026 – 30 September 2027 and 1 October 2027 – 30 September 2028.
- 3.3 Delegate authority to the Executive Director for Economy, Environment and Communities, in consultation with the Cabinet Member for Regeneration, to authorise the signing and sealing of the contract documentation.

4. Report detail - know

Context

- 4.1 Since 2007 when civil parking enforcement powers were granted to the Council, the enforcement of parking restrictions, and from 2009 bus lane restrictions, have been undertaken through external contractual arrangement in accordance with the approval of Cabinet.
- 4.2 Management of the appeals process is undertaken in house as it is a requirement of the Traffic Management Act 2004 that appeals decisions are made directly by the Council.
- 4.3 The current parking and bus lane enforcement contract with APCOA Parking (UK) Ltd commenced on 1 August 2014 and is due to end on 31 July 2021.
- 4.4 Neighbouring authorities in Birmingham, Sandwell, Solihull and Wolverhampton also undertake their enforcement of parking and bus lane restrictions through external contractual arrangements.
- 4.5 Provision of the on street enforcement service through external contractual arrangement is still considered to be the most cost effective and appropriate mechanism in an area of work that historically has high levels of staff turnover. The ability to specify a requirement for a number of deployed enforcement hours rather than a set number of employees is essential. Given the nature of the role, the ability to easily and quickly adjust staffing resources to the enforcement requirement is critical in ensuring the efficient and effective ongoing operation of enforcement activity. This was particularly evident

throughout the Covid-19 pandemic where resource deployment and associated cost was varied significantly to meet changing demand.

- 4.6 A tendering exercise has been undertaken for the future provision of the enforcement service. 14 expressions of interest were initially registered and resulted in 2 tenders being submitted by the deadline.
- 4.7 The tendering exercise has taken into consideration that the Council is likely to receive moving traffic contravention powers by the end of this calendar year. However, this is reliant upon the required statutory instrument and associated statutory guidance to local authorities being published by DfT.

Council Corporate Plan priorities

- 4.8 The award of contract will support the refreshed 2021-22 Corporate Plan priority outcomes in the following way:
- **Economic Growth for all people, communities and business**
The provision of an effective civil parking and moving traffic enforcement service will assist with the safe and efficient operation of public highway. This creates an environment where business feel confident to invest and everyone who wants a job can access one.
 - **People have increased independences, improved health and can positively contribute to their communities**
Illegal parking often creates unnecessary traffic congestion that can have a negative impact on air quality. Instances of this will be reduced as a result of civil parking and moving traffic enforcement activity. This will have positive impacts on health and support people to live a good quality of life.
 - **Internal Focus – All council services are efficient and effective**
The delivery of civil parking and moving traffic enforcement activities through contract arrangements will support the delivery of an efficient and value for money service that ensures the delivery of statutory duties imposed by the Traffic Management Act 2004.

Risk management

- 4.9 Failure to adequately discharge the statutory network management duty imposed by the Traffic Management Act 2004, could result in direct intervention by the Secretary of State. Ensuring that appropriate arrangements are in place to undertake enforcement of parking, bus lane and moving traffic contraventions will mitigate against that risk.
- 4.10 There is a risk that the cost of enforcement activity outweighs the income generated from penalty charge notices to offset the cost of enforcement. Should this situation occur, the Council would have to fund the deficit but this

could be recovered from surplus income generated in previous or future years as this is ring-fenced for this purpose in the Traffic Management Act 2004.

- 4.11 There is a risk that without appropriate levels of enforcement, more contraventions of parking, bus lane and moving traffic restrictions will occur. This would result in reduced road safety, increased levels of traffic congestion and parking bays not being used as intended to meet the demands of residents and businesses. This risk is mitigated through the borough wide deployment of sufficient numbers of civil enforcement officers to educate and enforce against motorists found to be contravening those restrictions.

Financial implications

- 4.12 The existing enforcement contract has been in operation for 7 years. Tender costs were based on a fixed cost for the first 5 years followed by a negotiated increase to contract rates for the 2 subsequent optional 1 year extensions.
- 4.13 The existing service cost centre allocation for the contracted enforcement service is £443,000.
- 4.14 The annual cost of the existing contracted enforcement service prior to the ongoing impacts of Covid 19 was approximately £570,000.
- 4.15 To address the short term implications of the inflationary pressures resulting from the 1+1 year contract extensions over and above the base line cost centre allocation, an additional £100k per annum has been provided through the medium term financial plan. This was further supplemented with the use of existing ring fenced balance sheet parking enforcement related reserve.
- 4.16 The tendered cost for the contracted enforcement service comprises of core and optional elements. The optional elements are services not currently provided through the existing contract and extremely unlikely to be called off during the life of the contract. However, they were included to give additional flexibility in the ongoing delivery model should an unanticipated need arise in the future.
- 4.17 The tendered costs are a fixed cost for 5 years and include for all pay uplifts for the initial term of the contract.
- 4.18 There is sufficient reserve to address the anticipated in year shortfall of budget allocation compared to contract cost.
- 4.19 To add context to the scale of budget shortfall, this roughly equates to 50% of all income generated from pay and display parking charges. However, with a contracted enforcement service, there is an ability to match the level of deployment to the budget allocation for delivering the service.

- 4.20 Now that the new tender rates are known, a review of the impact on the medium term financial plan will be undertaken once the legislation has been finalised for the enforcement of moving traffic contraventions.
- 4.21 The cost of delivering the enforcement service in house has been carefully considered. However the review has determined that a contracted out enforcement service remains the most financially advantageous option whilst also providing for the significant flexibility in deployment of enforcement staff that is required.
- 4.22 As part of the contract award, all notice processing and appeals service functions will be delivered by directly employed Council staff. A new G6 post will be created however this will not generate an additional cost pressure as the equivalent cost of the new post is already being met from the existing cost centre.
- 4.23 The cost associated with the short extension to the existing enforcement contract will be met from within existing service budgets.

Legal implications

- 4.24 The Council has a statutory Network Management duty imposed by the Traffic Management Act 2004. Enforcement of parking, bus lane and moving traffic contravention restrictions form part of discharging that duty as the powers have already been decriminalised and granted to the Council.
- 4.25 The Department for Transport (DfT) has undertaken statutory consultation on its intention to enact the full clauses of Part 6 of the Traffic Management Act 2004. This will include granting civil enforcement powers for a range of moving traffic contraventions and bringing bus lane enforcement activity under the Traffic Management Act 2004 rather than the existing arrangements through the Transport Act 2000. DfT has indicated its intention to fully enact part 6 of the Traffic Management Act 2004 within the current calendar year. This will be through statutory instrument that will give these additional powers to all existing councils with civil parking and bus lane enforcement powers.
- 4.26 Legal Services in conjunction with service officers have drafted the contract for the provision of civil parking and moving traffic enforcement services. Subject to Cabinet approval, this will be signed and sealed by both the Council and ACPOA Parking (UK) Limited, to bring the contract into force and make it legally binding on both parties.

Procurement Implications/Social Value

- 4.27 An Open Procedure Procurement Process was used to invite tenders for the provision of civil parking and moving traffic enforcement services. A public

advertisement was placed on the Council's e-tendering portal 'Intend' and published to Contracts Finder and OJEU on 27 April 2021.

- 4.28 Fourteen providers expressed an interest through the e-tendering portal. Two providers submitted a tender by the deadline.

	Tenderer	Location
1.	APCOA Parking (UK) Ltd	Middlesex UB8 2XW
2.	HSG Facilities Management Ltd (trading as National Enforcement Solutions)	Chester CH1 4QL

- 4.29 Tenders were opened on 28 May 2021 by Dave Brown (Director – Place and Environment) and Stacie Williams (Procurement Officer), using a formal opening ceremony on the In-tend e-tendering portal.

- 4.30 Submissions were evaluated in accordance with the criteria published in the Invitation to Tender (ITT).

- 4.31 Weighted Price Criteria:

The evaluation of this section was against information included in the pricing Schedule.

Criteria	Percentage
Price	40%
Total	40%

The price represents 40% of the total weighting. Bidders' price scores were calculated based upon the lowest price submitted based on the lowest bid price received divided by the bid price under evaluation and multiplied by the weighting.

- 4.32 Weighted Non-Price Criteria:

The evaluation of this section was against information included in the Non-Price Criteria Questionnaire:

Criteria	Percentage Weighting
1. Experience	3%
2. Contract Implementation	<i>For information only</i>
3. Management of the Service	15%
4. Working with the Council	5%

5. Operational Policy and Procedures	6%
6. Information Technology	4%
7. Staff Training	5%
8. Performance Indicators and Monitoring	10%
9. Social Value	5%
10. TUPE	<i>For information only</i>
11. Future Development	7%
Total	60%

4.33 Scoring Principles

Score	Score Classification	Scoring Definition
4	Excellent	<ul style="list-style-type: none"> • Response meets the specification requirements • Significant level of evidence that specification objectives and requirements have been met • Significant Added Value and Innovation evident

3	Good	<ul style="list-style-type: none"> • Response meets the specification requirements • Good level of evidence that specification objectives and requirements have been met • Limited Added Value and/or some innovation evident
2	Satisfactory	<ul style="list-style-type: none"> • Response meets the specification requirements • Adequate, basic level of evidence that specification objectives and requirements have been met • No Added Value evident
1	Poor	<ul style="list-style-type: none"> • Response does not meet some of the specification requirements • Limited level of evidence that specification objectives and requirements have been met • No Added Value evident
0	Fail	<ul style="list-style-type: none"> • Response does not meet any of the relevant specification requirements • No evidence that specification objectives and requirements have been met • No added Value evident

4.34 Tender price evaluation, due diligence checks and evaluation summary were completed by Stacie Williams.

4.35 Non-Price Evaluation was completed by:

1. Peter Brookes, Operations Manager
2. Glynnis Jeavons, Parking Services Manager
3. Paul Leighton, Group Manager – Place and Environment

A moderation meeting was held on 10 June 2021, at which the evaluation panel members reviewed the non-price criteria questions along with the tender responses and individual evaluator's scores, discussed the findings and agreed a moderated final score for each of the non-price criteria questions requiring moderation.

4.36 The final evaluation detail is set out below.

Tenderer	Ranking
APCOA	1st
HSG Facilities Management	2nd

4.37 The tender submitted by APCOA Parking (UK) Ltd demonstrated a good range of social value commitments to be incorporated into the services to be provided under the contract:

- Advertisement of all vacancies through media specific to Walsall Council
- Training of local candidates to meet the requirements of the role
- Purchasing of uniforms through a Walsall based supplier
- Continued support for local charities
- Two site visits per year to schools to discuss education and career opportunities
- Working with the Walsall Council Clean and Green team to support two community initiatives per year

4.38 The tender submitted by APCOA Parking (UK) Ltd was fully compliant, passed the due diligence checks, demonstrated value for money and is recommended to Cabinet for contract award.

Property implications

4.39 The Council House will continue to be the operational base for the contracted enforcement team.

Health and wellbeing implications

4.40 Civil traffic enforcement activity will have positive impacts on health and wellbeing as it will reduce instances of illegal parking that can have adverse impacts on road safety and poor air quality resulting from unnecessary traffic congestion.

Staffing implications

- 4.41 Under the existing contractual arrangements, 1 member of ACPOA's staff has been fully occupied in supporting the delivery of the Council's in house notice processing and appeals service functions. As this element of the work will now be fully undertaken by directly employed Council staff, this is likely to constitute a service provision change under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended) in which case the employee of ACPOA mentioned above may have their contract of employment transfer to the Council under the TUPE Regulations.

Reducing Inequalities

- 4.42 There are no direct equality implications arising from this report, therefore an EqIA assessment has not been necessary.

Climate Change

- 4.43 Enforcement of parking, bus lane and moving traffic contraventions will reduce instances of unnecessary traffic congestion and associated air pollution. This will have a positive impact on the delivery of the Council's climate emergency action plan.

Consultation

- 4.44 Consultation will be undertaken between APCOA, the Council and the relevant employee of ACPOA who may be subject to TUPE transfer to the Council.

5. Decide

- 5.1 Cabinet is asked to re confirm its support to a contracted out enforcement operating model and approve the award of contract for civil parking and moving traffic enforcement services to APCOA Parking(UK) Ltd.

6. Respond

- 6.1 Subject to Cabinet approval, the tender process will be concluded to formally award the contract for civil parking and moving traffic enforcement services to APCOA Parking(UK) Ltd.

7. Review

- 7.1 Ongoing review of contract performance will be formally undertaken on a monthly basis between the Council and contractor in line with the provisions of the contract.

- 7.2 The contract allows for an initial 5 year fixed period followed by 2 * 1 year optional extensions. A review of performance, enforcement objectives and ongoing suitability of contracted out enforcement services will be undertaken prior to exercising any of the optional extensions.
- 7.3 It is anticipated that moving traffic contravention powers will be made available to all councils with existing civil parking enforcement powers by December 2021. When these powers are made available, a review of any additional Council approvals that may be required and operational implications will be undertaken.

Background papers

Private session Cabinet report 21 July 2021 Civil Parking and Moving Traffic Enforcement contract.

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Simon Neilson
Executive Director

12 July 2021



Councillor Adrian Andrew
Portfolio Holder – Regeneration

12 July 2021

Cabinet – 21 July 2021

Local Authority Delivery Scheme (LADS) Housing Retro-fit - Appointment of contractor

Portfolio: Councillor Andrew, Portfolio Holder for Regeneration

Service: Money Home Job, Childrens Services

Wards: Borough Wide

Key decision: Yes

Forward plan: Yes

1. Aim

To ensure that the council can use time-limited Local Authority Delivery Scheme (LADS) funding to improve the energy efficiency of dwellings in the borough and help tackle fuel poverty, excess winter deaths and domestic carbon emissions.

2. Summary

- 2.1 The council secured government funding (£2.06m) from LADS round 1B (LADS 1B) in February 2021 to help a range of property owners and tenants in the borough improve the insulation of their homes and or help with micro-energy generation. This work is in line with the council's adopted Home Energy Conservation Act (HECA) Action Plan, which seeks to lower fuel poverty in the borough (currently rate of 19.4% of all households, 11th highest nationally).
- 2.2 E.on Energy Services Limited (E.on) directly supported and assisted the council in bidding for the LADS funds. E.on staff and council officers have undertaken a range of (Covid-safe) localised events and direct marketing to further identify and 'sign-up' resident households for external wall insulation (EWI), loft insulation and or solar photo-voltaic (PV) panels. E.on have expanded their LADS 'contact centre' to include Walsall and this has directly increased the level of 'sign-ups' in Walsall.
- 2.3 Further, Midlands Energy Hub (MEH) are administering the LADS round 2 (LADS 2) for the East and West Midlands and have approved a Walsall bid for a further £1.34m for work, similar to LADS 1B. E.on again directly supported this bid. Council officers are additionally working with social housing providers to expand the LADS 2 scheme to improve some of their key stock. Officers have also highlighted to MEH that there is the possible demand for

approximately a further £2.06m of additional work that could benefit from LADS 2.

- 2.4 Officers have identified an OJEU compliant procurement route to appoint E.on as the Council's supplier, being the use of the Fusion 21 Framework (the 'Framework'), to deliver the schemes for owner occupied and private rented dwellings under LADS 1B and LADS 2. Both schemes have very short delivery timescales, being the end of September 2021 and end of March 2022 respectively.
- 2.5 The Framework has 3 relevant Lots (EWI, loft insulation, solar PV) that enable direct awards. It is proposed to offer the work directly to E.on, who is an approved provider for each of these Lots. This will enable the timely delivery of the grant outcomes
- 2.6 This is a key decision because of its significant value and due to the fact that it will have a significant effect on two or more wards.

3. Recommendations

- 3.1 That Cabinet award a contract to E.on Energy Services Limited for energy efficiency works to homes in Walsall as provider for the Local Authority Delivery Scheme (LADS) 1B and 2 schemes, as call offs from the Fusion 21 Framework, for a period from 2 August 2021 up to end of March 2022, with an option to extend if required and with an anticipated value of up to £4,530,000.
- 3.2 That Cabinet delegate authority to the Executive Director of Children's Services to enter into the relevant agreements with E.on Energy Services Limited on behalf of the council and to subsequently authorise signing of any associated contracts, deeds or other related documents.

4.1 Report detail - know

Context

LADS 1 and LADS 2

- 4.1.1 Walsall has current fuel poverty levels of 19.4% compared to the West Midlands rate of 17.5% and England rate of 13.4%. Walsall is now 11th nationally for levels of fuel poverty. Officers and partners have continued to tackle fuel poverty and domestic carbon emissions through a range of activities from:
 - education of residents including on topics as broad as collective energy switching, smart meters and saving energy;

- enforcement of minimum energy efficiency standards (MEES) in private rented sector including securing £0.10m of revenue in 2020/21 to directly support this work;
- securing external funding to help residents including:
 - Publishing an ECO-flex statement of Intent and assessing the scheme cases that have led to an estimated £2.30m of private energy company investment;
 - Securing National Grid Warm Homes Funding (£0.86m) to help those with no gas supply;
 - Supporting a Local Energy Advice Partnership (LEAP) which is estimated at securing over £0.63m of investment.

4.1.2 The current grant awards under LADS 1 and LADS 2 form part of this work to tackle fuel poverty and carbon emissions.

4.1.3 The council's funding bids for LADS 1 and LADS 2 were directly supported by E.on including use of their:

- ability to directly allocate Energy Company Obligation (ECO) funds to expand the nature of works (and investment) to eligible households and therefore increase the programme size;
- specialist technical knowledge, information based on:
 - their success in securing funds for other councils under LADS 1;
 - alternative products for installation to ensure an appropriate funding bid and required increase in Energy Performance Certificate (EPC) level;
- satellite survey software to identify target streets and specific dwellings for assistance linking EPC data with fuel poverty data.

4.1.4 E.on have shown significant commitment to Walsall households and the council in helping develop the funding bids and generate 'leads' for the schemes. This work has been especially valuable and carefully thought out due to the range of Covid-related lockdowns that have been in place to date.

4.1.5 As indicated at 2.3 above, MEH has asked the council to indicate whether it has the capacity to deliver additional grant funded schemes and officers have advised that current estimates indicate a mixed tenure scheme of circa £2.06m.

Recently announced schemes

4.1.6 In June 2021, Central Government announced a bidding round for LADS 3 and a new scheme called Home Upgrade Grant (HUG1) under a combined title of *Sustainable Warmth Competition*. The work of council officers, E.on and other partners has put the council in a very good position to bid for funds from this source and practical delivery on LADS 1B and LADS 2 will directly help with this. Failure to deliver LADS 1B and LADS 2 is expected to adversely affect any bid for this new funding.

Accessing a compliant Framework

4.1.7 Having access to the Framework delivers many benefits; the primary one being a route to market that ensures compliance with all public sector procurement regulations – this means that purchasing energy efficiency goods and services can be carried out efficiently and without the need to undertake time consuming and costly tenders.

4.1.8 In addition to a compliant and efficient route to market, having a framework agreement in place with a single supplier provides opportunity to:

- Maximise the potential to deliver the LADS 1B and LADS 2 within the tight funding timescales;
- Demonstrate proven success in LADS 1B and LADS 2, which is expected to significantly help the council's prospects of securing funds under the future Sustainable Warmth Competition;
- Continue to build a partnership with E.on as the supplier;
- Engage E.on to support future funding bids to support local communities;

- Use E.on's buying power with manufacturers and sub-contractors;
- Access supplier benefits at a reduced cost or free of charge, ranging from consultancy and project design and access to specialist retro-fit coordinators.

4.1.9 Making a direct award to E.on is allowed by the Framework and provides continuity of both programme and grant delivery for residents and the council. E.on is also an 'obligated' energy company and therefore will be able to allocate funds to qualifying households for additional eligible works under the ECO scheme.

4.1.10 If the council does not have a contract in place for the delivery of these works all LADS 1B and LADS 2 funding received to date will need to be returned to Central Government and/or MEH. Any offers of additional funding from them will be unlikely, because the council has no alternative delivery mechanism available given the scale of the programme and strict funding timescales.

4.2 Council Corporate Plan priorities

4.2.1 The proposal is in accordance with the:

- a) Housing Strategy (2020-2025), which highlights that the council is committed to improving the condition of homes in the borough;
- b) council's Home Energy Conservation Act (HECA) Action Plan June 2021, which seeks to reduce fuel poverty and tackle domestic carbon emissions.

4.2.2 Securing external capital funding to tackle fuel poverty and domestic carbon emissions is in line with the Corporate Plan 2018-21 in particular:

Communities: Housing provision matches local need and reduces homelessness.

4.3 Risk management

4.3.1 The risks associated with entering into this contract are considered to be minimal.

4.3.2 Use of this Framework and the direct award approach provides a compliant route to delivery of a large element of the LADS funding and the opportunity to secure ECO funding for additional works. It also gives a viable route to deliver additional LADS 2 funds should they be allocated to the council.

4.3.3 In line with the LADS criteria, the council will only pay funds to E.on once clear evidence has been provided to the council by E.on of:

- works being completed to individual properties including, but not limited to, pre and post EPCs; and
- that the programme average allocation does not exceed £10,000 per property.

4.3.4 E.on will have a separate legal agreement with their own sub-contractors / installers and with each resident household.

4.4 Financial implications

4.4.1 The table overleaf shows the funding related to LADS.

Source	Scheme	Value	Funding position
Central Government	LADS 1B	£2.06m	Received
MEH	LADS 2	£0.14m	Received
MEH	LADS 2	£1.20m	To be claimed monthly in arrears from MEH
MEH	LADS 2+	£2.06m	Bid made to MEH – no funding approved as yet.
	Total	£5.46m	

4.4.2 As indicated in 4.3.3 funding will only be released by the council to E.on upon evidence of the completion of relevant works to qualifying dwellings and that the average allocation per dwelling does not exceed £10,000 across the entire scheme.

4.5 Legal implications

The council's Framework call-off contract with E.on will be a JCT Intermediate Building Contract with Contractors Design, as required by Fusion 21.

4.6 Procurement Implications/Social Value

4.6.1 The Framework has been tendered in compliance with the Public Contracts Regulations 2015 and is authorised for use by the council.

4.6.2 Advice and guidance has been given by the Procurement Team throughout this process. The council's sourcing exercise has been undertaken in accordance with the requirements of the Public Contracts Regulations 2015 and complied with the council's Contract Rules.

4.7 Property implications

There are no direct property implications for the council because no council housing stock is eligible for assistance under these LADS rounds.

4.8 *Health and wellbeing implications*

4.8.1 The LADS will directly benefit fuel poor households in Walsall and help take them out of fuel poverty. Fuel poverty affects health by increasing illnesses and making some illnesses worse. Ill health can cause stress and impact on other parts of resident's life such as jobs, education and social life, for example:

- Cold related illnesses;
- Respiratory illnesses;
- Allergies;
- Increased risk of heart attacks and strokes.

4.8.2 Previous council research undertaken has highlighted that undertaking home insulation and/or heating upgrades has a statistically significant positive impact on mental well-being.

4.8.3 Work to date has been undertaken by council and E.on staff with residents in a Covid-safe manner and this will continue with E.on's subcontractors and specialist installers.

4.9 *Staffing implications*

4.9.1 Staff within Housing Standards and Improvement will directly manage the delivery of LADS with E.on and will submit relevant monitoring returns to Central Government and MEH.

4.10 *Reducing Inequalities*

4.10.1 The implications for reducing inequalities have been taken into account and assessed. The proposal is in accordance with the council's approved Renewal Assistance Policy (for which an EQIA already exists).

4.10.1 The key LADS grant criteria is property specific i.e. the dwelling must have a low rated EPC and this effectively 'leads' the prospective direction of grant funding. Occupiers of target dwellings will need to be in fuel poverty to meet the remaining LADS criteria and the scheme will directly help them move out of fuel poverty and reduce the risk of excess winter deaths caused by cold and damp homes.

4.11 *Consultation*

4.11.1 The council and Eon have undertaken a range of consultation activities with residents of prospective target LADS dwellings. Promotion of the scheme has also taken place with local ward councillors and community representatives to maximise expressions of interest from residents in the target areas.

4.11.2 Discussions are ongoing with E.on to secure their continued commitment to generate 'leads' for additional target dwellings for LADS1B and LADS2 and this is helping the council develop a prospective bid under the forthcoming LADS2+ and Sustainable Warmth Competition.

5. Decide

- 5.1 An alternative to the recommendation in this report is not to appoint a contractor to undertake the LADS works, but this would:
- require the council to return the approved LADS grant funding to Central Government and MEH respectively; and
 - lead to a serious negative impact on the outcome of any future bids for similar funds, such as LADS 2+ and the forthcoming Sustainable Warmth Competition.
- 5.2 Cabinet is requested to approve the recommendations made in section 3 of this report.

6. Respond

- 6.1 In the event that Cabinet approves the award of this contract, Housing Standards and Improvements will work closely with E.on and Fusion 21 to ensure that all contractual arrangements are agreed and completed prior to physical commencement of any capital works. This will be done as soon as practicable to enable the LADS 1B and LADS 2 funds to be utilised.
- 6.2 Housing Standards and Improvements will then continue to monitor E.on's service delivery.

7. Review

- 7.1 The Housing Standards and Improvement service continues to review progress on tackling fuel poverty and reviews, at least annually, statistics relevant to this field and updates the corporate HECA Action Plan.
- 7.2 In line with LADS funding criteria, regular monitoring reports will be submitted to government and / or MEH as required.

Background papers

None

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Signed
Sally Rowe
Executive Director
Childrens and Customer
09.07.2021

Signed
Councillor A Andrew
Portfolio Holder Regeneration
09.07.2021

Cabinet – 21 July 2021

The Provision of Domestic Abuse Emergency Accommodation Support Service

Portfolio: Councillor Andrew – Deputy Leader, Regeneration
Councillor Wilson – Cabinet member for Children’s Services

Related portfolios: Councillor Martin – Adult Social Care
Councillor Perry – Deputy Leader, Resilient Communities

Service: Money Home Job (MHJ) and Children’s Services

Wards: All

Key decision: Yes

Forward plan: Yes

1. Aim

To ensure we deliver effectively our new duties outlined in the Domestic Abuse Act 2021 (“the Act”), which requires the commissioning of:

- Effective support to victims of domestic abuse and their children
- Sufficient and effective safe accommodation to victims of Domestic Abuse (DA)

2. Summary

2.1 The Act became law on 29 April 2021 and places clear duties on the Local Authority to strengthen the support for victims of abuse. The Act places a statutory duty on tier one local authorities relating to the provision of support to victims of domestic abuse and their children residing within refuges and other safe accommodation. New Burdens funding to the total value of £690K has been allocated to Walsall to cover the costs of the new duty including the provision of support in safe accommodation for 2021-22.

2.2 Safer Walsall Partnership Board are developing a Domestic Abuse Strategy based on a needs assessment and consultation with key stakeholders. This strategy will provide evidence to inform our commissioning decisions for the support of victims with children and the provision of accommodation-based domestic abuse support in Walsall.

2.3 Money Home Job currently contracts with Accord Housing Association for the

Provision of Domestic Abuse Emergency Accommodation Support Service. The annual value of the contract is £188,870. On the 10th February Cabinet approved an extension of this contract to 30th September 2021, along with delegated authority to the Executive Director Children's Services in consultation with the Portfolio Holder for Regeneration to approve any further contractual variations. It is intended to extend this contract for a further six months to 31 March 2022 whilst further service user and stakeholder consultation on options for safe accommodation provision takes place, followed by and future commissioning takes place.

- 2.4 Children's Services currently contracts Black Country Woman's Aid (BCWA) to support children and families impacted by Domestic Abuse. The annual value of the contract is £220,000. This contract is due to end on the 30th September 2021, and it is intended to extend the contract, within existing delegations, for a further three months to 31 December 2021 whilst commissioning of a new service model takes place. Children's Services completed a review of the provision with a view to form future commissioning intentions in light of demand, transformation plans and other related strategic developments internally to the council.
- 2.5 It is proposed to make changes to these service delivery models when recommissioning these services to meet the requirements of the Act.

3. Recommendations

- 3.1 That Cabinet approve the new Domestic Abuse service delivery model, and undertaking of a competitive procurement process, to determine the most suitable provider(s) for the delivery of support to all victims with children who need Children's Services interventions
- 3.2 That Cabinet delegate authority to the Executive Director of Children's Services, in consultation with the Portfolio Holder for Regeneration, to approve the new service delivery model for domestic abuse safe accommodation and support following a public consultation exercise, and note that Cabinet will receive a further report to approve contract award following the procurement exercise.

4. Report detail - know

Context

- 4.1 The Act places a new legal duty on local authorities to assess the need for and commission support for victims and their children within safe accommodation. The new duty covers the provision of support to victims and their children residing in some/all of the following:
- refuge accommodation;
 - specialist safe accommodation;
 - dispersed accommodation;

- sanctuary schemes; and
- move-on or second stage accommodation.

Domestic abuse support element of the duty includes:

- Advocacy support – development of personal safety plans, liaison with other services (for example, GPs and social workers, welfare benefit providers);
- Domestic abuse-prevention advice – support to assist victims to recognise the signs of abusive relationships, to help them remain safe (including online) and to prevent re-victimisation;
- Specialist support for victims with relevant protected characteristics and / or complex needs, for example, interpreters, faith services, mental health advice and support, drug and alcohol advice and support, and immigration advice;
- Children’s support – including play therapy and child advocacy;
- Housing-related support – providing housing-related advice and support, for example, securing a permanent home and advice on how to live safely and independently; and
- Counselling and therapy for both victims and children.

4.2 Walsall Safer Partnership Domestic Abuse Strategic Needs assessment and the related draft Strategy identified a rise in Domestic Abuse across Walsall and the need for better coordinated support to victims of Domestic Abuse including children and young people. The draft Strategy also proposes that there is a need for a dispersed accommodation and support service for DA victims. The Strategy sets out 6 aims, these include protecting children and young people through integrating this with protection and support of the non-abusing parent. Where possible this should be part of a coordinated approach using sanctions or other action involving the perpetrator and where this is not possible, protection of the non-abusing parent must be maintained in parallel with protection of the children. The Family Safeguarding Model is identified as a best practice model in the National DA guidance framework. Walsall is in its second year of implementing this model and this provides a key opportunity to achieve this aim.

4.3 Whilst some consultation, listed below, has been carried out to identify the most appropriate future DA safe accommodation and support service delivery model, this was predominantly in 2019, which was prior to the requirements provided within the Act in 2021. It is therefore proposed that a consultation exercise with current and former service users, and other stakeholders, is carried out, which will then provide up to date and relevant views and information on the preferred service delivery model which will then be commissioned. The consultation options are as described in 4.1.

4.4 An in house review into the current refuge accommodation provision of 24 bed block with 3 dispersed units in the borough from 2019/20 demonstrated:

- 84 service users access the refuge in 2019/20 and 62 service users in 2020/21. One of the key reasons in the reduction in usage is attributed to Covid and service users not willing to utilise shared facilities

- In 2020/21 just over 39% of victims stated they were from an ethnic minority group with Pakistani households being the largest group. Feedback in 2019/20 from those who were from an ethnic minority group and currently in the refuge suggested a large amount of stigma associated with accessing DA related accommodation and suggested dispersed accommodation within a community setting is preferred by service users.
- Service user feedback in 2019/20 also suggested concerns from service users stating large numbers of service users in a block setting can lead to housing management issues, issues for those leaving tenancies not suited to refuge accommodation and concerns from those with older male children. One area which service users stated in particular was concerning was when the location of the accommodation was disclosed and the impact this had on their mental health and well-being.
- In 2019/20 an average of 8 children a week were present in Walsall's refuge provision aged between 0-14 years, this proved a challenge for staff providing support and ensuring the setting is safely managed. In response to this a shorter term MHCLG funded Children and Young Persons Worker who commenced work in May 2020 has provided up to 6 sessions daily for children and young people. Feedback from service users and staff suggested this was positive, however service users stated a need for a therapeutic style service was also needed as the impact of DA was not fully recognised and wanted their families to be better integrated within communities.

4.5 In 2019/20 the council contracted Accord HA to pilot a dispersed domestic abuse emergency accommodation and support service, for up to 10 units. Feedback from service users suggested:

- a general support for dispersed accommodation and people feeling they generally were happier with the option to remain in a property and receive support as required.
- Feedback from those taking part in the pilot stated a potential need for a small level of refuge accommodation (for those with safety issues) but in the main the opportunity to rebuild their lives, realise their potential and receive support in a community based setting was an advantage.

The pilot concluded the majority of the clients have sustained and remain within their properties 6 months post pilot. The dispersed pilot achieved a number of outcomes;

- Provided a safe and supported environment for domestic abuse victims;
- helped prevent re-victimisation;
- increase levels of tenancy maintenance in this group;
- enabled households to have their none secure tenancy converted to a secure tenancy;
- helped individuals achieve and maintain independent living skills;
- helped individuals access education and training and employment opportunities.

- 4.6 The dispersed accommodation with floating support pilot, and in house review, suggested that this option would require:
- Securing a provider who had the relevant flexibility in their stock offer to meet these requirements. This may include the ability to access some refuge places, where a dispersed unit isn't suitable for any reason, or the ability to be part of a reciprocal arrangement with out of borough provision.
 - The dispersed units will all be furnished and required to meet a minimum quality standard as determined within the future service specification.
 - The provider will also need to have sufficient stock to enable units to be 'rotated', to ensure that specific homes can't be identified as housing victims of DA. As such, when properties have been used for this purpose for a certain period of time, and they next become void, the Provider will take that unit back and provide an alternative home in a different location. This should negate one of the issues that occurs with block refuges, where the location of the refuge tends to become well known in the local area.
 - This offer should also include the potential to 'flip' tenancies into a permanent home where a household has been placed in a dispersed unit. This would enable the victim and family to remain in the property on a secure tenancy (where they have previously left a secure tenancy) if this was the most appropriate housing option for them, and provided safe, settled and sustainable outcomes, without a need to move again to avoid further disruption, enabling them to keep connected to their new community resource. Where a flip takes place, then the provider will provide a replacement property.
 - A dispersed or refuge safe accommodation service will include a housing IDVA and/or link to any council housing Independent Domestic Violence Adviser (IDVA) services to assess housing options and facilitate move on where not suitable to remain in existing property.
- 4.7 Certain principles will need to be in place for the new commissioned safe accommodation and support service, whichever option emerges as the preference through the consultation exercise. It will need to be affordable, flexible, and ensure it delivers the appropriate outcomes for victims and their children. The new service will need to be flexible to cater for those individuals who require low level support, and also those individuals with more complex needs. The new commission would seek an accommodation provider who is able to provide a range of accommodation options to meet the varying need and risk levels of all DA victims and their families. It is anticipated that around 27 units will be commissioned, matching the current level of provision, and that this will be monitored and adjusted in line with demand, within contractual budget constraints. In line with the Strategy requirements to work in partnership and develop a coordinated response to DA, Money Home Job and Childrens services will jointly commission services, within the same timeframe, to ensure that a single pathway is put in place for all victims of domestic abuse including single adults, and those households with children. The new services will be co designed with service users, and will involve a streamlined pathway for those with greater complexities, which can involve joint interventions through the locality hubs, including early help and safeguarding.

4.8 Children's Services has an annual budget of £220K (consisting of Public Health grant funding and Children's Services core budget) to commission the provision of support to victims with children who are impacted by Domestic Abuse and who as a result meet the threshold for a multi-agency Early Help plan or a Social Care Plan. The review of the current provision identified that

- DA is a key need driving the demand in Children's Services both in terms of Targeted Early Help and Social Care. The anticipated suppressed demand during the COVID pandemic, and the implications of requirements within the Act, are likely to increase the demand in the immediate future.
- Some community groups are under represented in terms of DA demand and therefore we need to consider the benefits of aligning a support service to a locality approach to identify and address this.
- There is considerable failure demand in the advice and guidance function provided by BCWA due to inappropriate referrals or insufficient and incorrect information.
- The Specialist DA advice and support provided by BCWA as part of the DA triage in The Multi Agency Screen Hub (MASH) is having a positive impact on oversight, consistent decision making and timely support across police recorded DA incidents and referrals.
- BCWA is providing effective and impactful case working interventions when victims engage. However the uptake is lower with some ethnic minority community groups. This could be addressed by bringing resources closer to the community by aligning the casework support to our integrated locality model.
- The support direct to children as victims is currently a small, but effective part of the commissioning contract. This support should focus on the emotional wellbeing and mental health support as a result of the trauma children have experienced and therefore Health Partners as identified in the Act will need to play a role in growing this support.

In light of demand, transformation and guidance as set out by the Act identified the need to:

- Increase the DA specialist support in MASH to ensure effective identification of need and decision making
- The integration of DA specialist victim support (parent and child) as part of Walsall Right for children locality model to effectively engage and meet the need of the diverse communities

Council Corporate Plan priorities

4.9 The emergency DA accommodation support service will contribute to the Council's priorities as follows:

- Economic growth for all people, communities and businesses – homelessness and lack of access to settled and supported housing remains a key barrier to accessing employment, and so the proposed Service can help increase employment prospects.

- People have increased independence, improved health and can positively contribute to their communities – preventing homelessness, and advice and support in maintaining a tenancy and address trauma experienced through DA can promote independence and can improve mental and physical health and wellbeing.
- Communities are prospering and resilient with all housing needs met in safe and healthy places that build a strong sense of belonging and cohesion – ensuring that victims of DA have the right housing to meet their needs, and that they are able to remain in these homes or be suitably rehoused, sustain tenancies and be part of their community.
- DA is an Adverse Childhood Experience – Children who have experienced domestic abuse are significantly more likely to experience abuse in their own adult relationships, to misuse drugs or alcohol, and to have lower levels of wellbeing. The impact on children and young people’s mental health can also be profound. [Research](#) shows that receiving the right help at the right time from specialist children’s services reduces the impact of domestic abuse on these children and improves children’s safety and health outcomes

Risk management

- 4.10 As the Council moves to new service delivery models for domestic abuse services, there is a risk that the market won’t be sufficiently developed to respond to this requirement. This is being mitigated by ensuring the offer of flexible lots during the procurement process. For example, different providers will be able to bid for, and be awarded, separate service delivery elements, rather than having to provide services for the whole contract.

Financial implications

- 4.11 Government has allocated New Burdens funding to local authorities for 21/22, of which £690,000 has been allocated to Walsall, to cover the costs of this new duty. Government departments have also confirmed that there will be further allocations of New Burdens funding, but are unable to quantify the award levels until the conclusion of the next comprehensive spending review. There is no guarantee that local authorities will receive the same level of funding that was allocated for 21/22.
- 4.12 Following consultation responses on the new safe accommodation and support service delivery model, a number of options will be reviewed and costed out to ensure they are within the budget envelope of the New Burdens funding available and meet the aims and objectives of the Act. The Commissioning Group of the Safer Walsall Partnership Board will then be consulted on the final service delivery model. Following procurement of the new service, a report will be submitted to Cabinet to seek approval for contract

awards for both the victims and children support, and safe accommodation with support contracts.

- 4.13 The existing Refuge contract with Accord will be extended by six months, through to 31 March 2022, to enable a continuous service provision whilst consultation and the new procurement exercise is underway, and to allow time for an appropriate move on strategy for existing refuge service users. The cost of the 6 month extension to the Accord refuge contract is £94,435. The Commissioning Group of the Safer Walsall Partnership Board will be consulted on the request to allocate this cost from the £690K New burdens allocation for 2021/22.
- 4.14 The extension of the existing BCWA contract, and cost of the new Children's service delivery, will continue to be met from existing Council resources. However, the New Burdens funding may provide greater flexibility to fund future plans subject to final approval.

Legal implications

- 4.15 The Council has a legal duty to assess the need for and commission support for victims and their children within safe accommodation. This proposal is ensuring effective and efficient compliance with this duty set out under the Act.

Procurement Implications/Social Value

- 4.16 Procurement advice and support will be sought to ensure that the contract extensions referred to in 2.3 and 2.4 of this report, and the proposed procurement activity set out in recommendations 3.1 and 3.2 is undertaken in compliance with Public Contract Regulations 2015 (the Regulations) and the Council's Contract Rules. Procurement and Legal Services will coordinate to ensure that there is a consistency of advice and approach and the drafting of the contracts will be approved by Legal Services in accordance with the Contract Rules.
- 4.17 During the scoping of any benefits, which can be realised through any future commissioning activity, there might be opportunities to implement initiatives that enable benefits to be realised prior to any recommissioning of these services. In these instances, procurement will provide specific advice in relation as to how any additional changes could be implemented in compliance with the Regulations.

Property implications

- 4.18 There are no property implications for the Council.

Health and wellbeing implications

- 4.19 The principles and actions contained within this report are in full accordance with the Marmot objectives. The prevention of homelessness and support to households helps to ensure that individuals have the best environment to

maximise their potential. The security of a roof over their head, and associated support, helps provide households with stability to engender a better environment for study, training or employment. Preventing and relieving homelessness contributes to the likelihood of a healthier environment for households to live in.

- 4.20 Providing children and adult victims with timely help and support with overcoming the trauma they have experienced as a result of Domestic Abuse provides them with the best start in life and maximises their capabilities and gain control over their lives.

Staffing implications

- 4.21 There are no direct staffing implications for the Council as all staff engaged in providing the relevant services currently are employed by Accord Housing Association and Black Country Woman's Aid.
- 4.22 The possible TUPE transfer of the staff employed by Accord and BCWA as part of the commissioning of the services will be considered as part of the procurement processes between any incoming and outgoing providers.

Reducing Inequalities

- 4.23 The implications for reducing inequalities have been taken into account and assessed as set out in a detailed Equality Impact Assessment (EQIA) at Appendix A.
- 4.24 The EQIA highlighted some gaps in uptake of the DA services by certain ethnic minority groups. The new commissioned service is seeking to address this through aligning with locality working to ensure closer relationship building with those key communities in these localities. The EQIA will also ensure further consultation captures key learning and will seek to develop procurement and service improvement through customer feedback across a range of protected characteristic groups.

Climate Change

- 4.25 There are no specific climate change implications contained within this report.

Consultation

- 4.26 The proposals are a direct response to the Safer Walsall Needs analysis and draft Strategy. Consultation has been carried out internally with Adult Social Care, Public Health and Communities Directorates on the proposals. A consultation exercise with current and former service users, and other stakeholders, will be carried out to inform the new service delivery model for DA safe accommodation and support.

5. Decide

5.1 A 'do nothing' option is not viable as the Council must fulfill the statutory obligations contained within the Act.

5.2 There is an option to recommission the existing refuge based service model, however there is evidence that this may not be the most effective way to meet the requirements of the Act to support victims of DA and their children, and offer safe and effective accommodation. This is on the basis that it is difficult to deliver sustainable outcomes in a block refuge environment for some service users, compared with individual homes and tailored support. Also, a refuge setting may not be the most suitable environment for certain groups such as ethnic minority, male victims, households with older male children, LGBTQ and those with learning disabilities. This will be tested through the proposed consultation exercise. In relation to the children's and families support new service delivery model, the review of the current service commissioned by children's services highlighted that this was not the most efficient and identified gaps around current demand and meeting the needs of certain groups such as ethnic minority and male victims. Tendering these services also gives the opportunity to align the commissioning provision with the locality model and our evidence based Family Safeguarding model.

5.3 The proposed option to support victims of domestic abuse and their children and commission safe accommodation with support is split into two separate but linked service proposals:

Commissioning of support to victims of domestic abuse and their children to the value of £220K that will provide:

- A full time DA specialist support in MASH to ensure effective identification of need, decision making and timely advice and guidance.
- The integration of DA specialist victim support (parent and child) as part of Walsall Right for Children Early Help and Social Care locality model to effectively engage and meet the need of the diverse communities. This will consist of four full time Domestic Abuse Specialist workers

An extension of the existing refuge service for 6 months to 31 March 2022. A subsequent new service delivery model for safe accommodation and support service will be commissioned, that has been designed following service user and stakeholder consultation, that will meet the requirements of the Act.

6. Respond

If approved, a competitive procurement process will be carried out to determine the most suitable provider(s) for the delivery of:

- Effective support to victims of domestic abuse and their children
- Sufficient and effective safe accommodation to victims of Domestic Abuse following consultation that will inform the design of the new service delivery model

7. Review

The outcomes of the services will be regularly monitored through

- Walsall Right 4 Children Performance framework and
- Money Home Job Performance frameworks

The outcomes will also be reported back to the Safer Walsall Domestic Abuse partnership board and on a national level to MHCLG.

Background papers

Domestic Abuse Act 2021

Safer Walsall Domestic Abuse Needs Assessment

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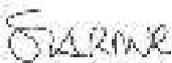
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Sally Rowe

Executive Director Children's Services

09.07.2021



Councillor Andrew

Portfolio holder Regeneration

09.07.2021



Councillor Wilson

Portfolio holder Children's Services

09.07.2021

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APPENDIX A

Ref No. 11/21

Equality Impact Assessment (EqIA) for Policies, Procedures and Services

Proposal name	The Provision of Domestic Abuse (DA) Emergency Accommodation Support Service		
Directorate	Children's Services		
Service	Money Home Job (MHJ) and Transformation		
Responsible Officer	Isabel Vanderheeren/Rashida Hussain		
Proposal planning start	December 2020	Proposal start date (due or actual date)	01 January 2022

1	What is the purpose of the proposal?	Yes / No	New / revision
	Policy	No	
	Procedure	No	
	Guidance	No	
	Is this a service to customers/staff/public?	Yes	
	If yes, is it contracted or commissioned?	commissioned	revision
	Other - give details		
2	<p>What is the business case for this proposal? Please provide the main purpose of the service, intended outcomes and reasons for change?</p> <p>To ensure we deliver effectively our new duties outlined in the Domestic Abuse Act 2021 ("the Act"), which requires the commissioning of:</p> <ul style="list-style-type: none"> • Effective support to victims of domestic abuse and their children • Sufficient and effective safe accommodation to victims of Domestic Abuse (DA) <p>The Act places a new legal duty on local authorities to assess the need for and commission support for victims and their children within safe accommodation. The new duty covers the provision of support to victims and their children residing in some/all of the following:</p> <ul style="list-style-type: none"> • refuge accommodation; • specialist safe accommodation; • dispersed accommodation; 		



- sanctuary schemes; and
- move-on or second stage accommodation.

Domestic abuse support element of the duty includes:

- Advocacy support – development of personal safety plans, liaison with other services (for example, GPs and social workers, welfare benefit providers);
- Domestic abuse-prevention advice – support to assist victims to recognise the signs of abusive relationships, to help them remain safe (including online) and to prevent re-victimisation;
- Specialist support for victims with relevant protected characteristics and / or complex needs, for example, interpreters, faith services, mental health advice and support, drug and alcohol advice and support, and immigration advice;
- Children’s support – including play therapy and child advocacy;
- Housing-related support – providing housing-related advice and support, for example, securing a permanent home and advice on how to live safely and independently; and
- Counselling and therapy for both adults and children.

The Act sets out to place clear duties on the Local Authority to strengthen the support for victims of abuse. The Act places a statutory duty on tier one local authorities relating to the provision of support to victims of domestic abuse and their children residing within refuges and other safe accommodation. New Burdens funding to the total value of £690K has been allocated to Walsall to cover the costs of the new duty to provide support in safe accommodation for 2021-22.

Safer Walsall Partnership Board developed a Domestic Abuse Strategy based on a needs assessment and consultation with key stakeholders. This strategy provides evidence to inform our commissioning decisions for the support of victims with children and the provision of accommodation-based domestic abuse support in Walsall.

Money Home Job currently contracts with Accord Housing Association for the Provision of Domestic Abuse Emergency Accommodation Support Service. The annual value of the contract is £188,870. On the 10th February Cabinet approved an extension of this contract to 30th September 2021, along with delegated authority to the Executive Director Children’s Services in consultation with the Portfolio Holder for Regeneration to approve any further contractual variations, to allow any future commissioning decisions being informed by the Strategic Needs Assessment and review of the current provision.

Children’s Services currently contracts Black Country Woman’s aid (BCWA) to support children and families impacted by Domestic Abuse. The annual value of the contract is £220,000. This contract is due to end on the 30th September 2021. Children’s Services completed a review of the provision with a view to form future commissioning intentions in light of demand, transformation plans and other related strategic developments internally to the council.

The proposed option to support victims of domestic abuse and their children and commission accommodation with support is split into two separate but linked service proposals:

Commissioning of support to victims of domestic abuse and their children to the value of £220K that will provide:

	<ul style="list-style-type: none"> • A full time DA specialist support in MASH to ensure effective identification of need, decision making and timely advice and guidance. • The integration of DA specialist victim support (parent and child) as part of Walsall Right for Children Early Help and Social Care locality model to effectively engage and meet the need of the diverse communities. This will consist of 4 full time Domestic Abuse Specialist workers <p>An extension of the existing refuge service for 6 months to 31 March 2022. A subsequent new service delivery model for safe accommodation and support service will be commissioned, that has been designed following service user and stakeholder consultation, that will meet the requirements of the Act.</p>		
3	Who is the proposal likely to affect?		
	People in Walsall	Yes / No	Detail
	All	No	Victims (adults and children) impacted by Domestic Abuse
	Specific group/s	Yes	
	Council employees	No	
	Other (identify)		
4	Please provide service data relating to this proposal on your customer's protected characteristics.		
	<p>Review of current provision including:</p> <ul style="list-style-type: none"> • Performance data from current contract with Black Country Woman's Aid and Accord Housing Association including engagement of service users with protected characteristics – this has been regularly throughout lifetime of contracts • Feedback from service users including those with protected characteristics • Feedback from those in refuge and dispersed pilot units in 2019/20 		
5	Please provide details of all engagement and consultation undertaken for this proposal. (Please use a separate box for each engagement/consultation).		
	The review of BCWA included following data/consultation:		
	Question	Data	
	Who has BCWA helped %children/%adults (without children) % of CH who need help through CH services (against thresholds)	<ul style="list-style-type: none"> • Referrals in MASH for DA • Source of referrals • Referrals • How many where known to Childrens Services? • Childrens service status at point of referral • Breakdown of protected groups 	
	How well have we helped children and victims?	<p>Number of referrals received help? reason for victims/children not receiving help (Did Not Attend, inappropriate referral)</p> <ul style="list-style-type: none"> • Timeliness of help offered • Length of intervention • Kind of intervention provided • Feedback of children and victims of the help received • Feedback from professionals who have referred 	

<p>What has been the impact of the help?</p>	<ul style="list-style-type: none"> • C&YP report feeling safer • C&YP report a change in behavior including education, health • C&YP feel their relationship with parents / victims has improved • Professionals working with families report positive changes • Status of plan at end of intervention • Re-referrals
<p>What do we know about the demand going forward?</p> <p>%of demand that matches Family Safeguarding cohort</p>	<p>Walsall safer partnership needs assessment</p>
<p>Refuge accommodation Service Review 2019/20</p>	<p>Qualitative data from refuge service:</p> <ul style="list-style-type: none"> • Telephone interviews • Staff feedback • Service user feedback • Feedback from dispersed unit users • Review of 10 dispersed units (case review) • Quarterly monitoring and review of refuge service • Focus groups with staff and service users • In 20/21 – feedback from neighbouring authorities on provision type and assize along with commissioning intentions • Review of Housing IDVA caseload and effectiveness
<p>6 Concise overview of all evidence, engagement and consultation</p>	<p><u>1. Overview of findings through the review of BCWA related to protected characteristics:</u></p> <p><u>Access to the current service</u></p> <p>Access to service can be affected by institutional barriers/agency engagement levels with those with protected characteristics.</p> <p>Ethnicity: The Independent Domestic Violence Advisor (IDVA) service reaches a diverse population, with percentages of minority ethnic groups in Walsall broadly in line with overall population according to the last Census. White British referrals are 68% of the overall, less than the population average. In approx. 10% of cases ethnicity is unrecorded – these are mainly agency referrals where, as clients did not engage, we did not have the chance to capture data.</p> <p>Gender: IDVA service referrals are 97% female, 3% male. This is influenced by major</p>

referral routes via children's safeguarding where the cohort is mainly women with school-age children, and the higher prevalence of high-risk domestic abuse amongst women.

Sexual orientation: The DA cohort is 95% heterosexual, with 0.5% gay/lesbian referrals, 0.3% bisexual referrals. However as 8.7% were unspecified, the actual cohort may be more diverse. BCWA has implemented a 'prefer not to say' option for sexuality so we can see how much of this is client preference.

Age: The majority of referrals fall into the 24-34 age category (42%) and 35-44 age category (28%), indicating major referral cohort being women with school-age children and revolving around children's safeguarding, and increased risks around pregnancy which may be more common in this age group. Older clients may be more likely to reach DA services via IRIS (not included in this data) and primary care routes where the physical and mental health effects of domestic abuse are demonstrated.

Disability: 5% of clients overall report a disability, and 95% do not. Disabled victims may also be more likely to reach DA services via IRIS as above.

Engagement/uptake with the current service

Ethnicity

Tier 1: advice and guidance stage

For cases closed at tier 1, the average engagement rate is 53%, with 14% declining support, 3% not eligible, and 30% unable to contact. White British client engagement follows these averages. Groups who engage at a rate higher than the average include Asian British Pakistani and Indian, Black Caribbean, Black African clients. Groups who engage at a lower rate than the average include white Eastern European and white other (more likely to be unable to contact, which may indicate fluctuating EU migrant populations or clients accessing European-language NGOs in Birmingham and the Black Country).

Tier 2: Casework

For clients consenting to one to one casework, the average engagement rate is 98%. Most ethnic groups follow this average within a few percent. However, some groups engage at a lower rate than this average and are more likely to be recorded as "unable to contact", these include Asian British Indian, Black British and some mixed ethnic groups.

Age

Tier 1: advice and guidance stage

Most age groups engage with advice and guidance within a few percentage points of the average, identifying no major barriers. Clients aged 65-74 are more likely to engage than the average (65% against average engagement rate of 53%); clients of this age group often favour phone support.

Tier 2: Casework

Most age groups engage with casework within a few percentage points of the average, identifying no major barriers. Clients aged 75+ are however more likely to be logged as "unable to contact" (20% against average of 1%).

Disability

Although small cohort of reach, people with disabilities are more likely to engage in advice and guidance (62% against average of 53%, and are slightly more likely than average to decline support at casework stage. Disabled clients tend to favour telephone advice and guidance as they may find this easier to access. They may also have adult safeguarding services involved for practical elements of support, so Black Country Women's Aid's (BCWA) role revolves primarily around advice and guidance.

Gender

Tier 1: advice and guidance stage

Female clients engage in line with the average. Male referrals are significantly more likely to be ineligible for service at tier 1 (17% against average of 3%), this will usually be because they are known to BCWA as perpetrators. They are also slightly more likely to decline support at tier 1.

Tier 2: Casework

Female clients engage with casework in line with the average, men are more likely to be unable to contact (9% against average of 1%).

Sexual orientation

It is difficult to identify trends based on sexual orientation as number of clients identifying as gay, lesbian and bisexual are low; it appears that gay and lesbian clients engage at less than the average rate; we would in these cases offer signposting to the LGBT IDVA service operated by Birmingham LGBT as clients may prefer LGBT services. We have a high rate of "not specified" in this category, which may be due to incomplete agency referrals.

2. Review of the current service provided through Accord Housing Association

An in house review into the current DA accommodation provision demonstrated:

- The council currently funds a DA refuge in partnership with Accord Housing association. The refuge service provides a 24 bed refuge with 3 dispersed units in the community. Walsall refuge saw a total of 84 service users access the refuge in 2019/20 and 62 service users in 2020/21. One of the key reasons in the reduction in usage is attributed to Covid and service users not willing to utilise shared facilities
- In 2020/21 such over 39% of victims stated they were from an ethnic minority with Pakistani groups being the largest group. Feedback in 2019/20 from those who were ethnic minority and currently in the refuge suggested a large amount of stigma associated with accessing DA related accommodation and suggested dispersed accommodation within a community setting is preferred by service users.
- Service user feedback in 2019/20 also suggested concerns from service users stating large number of service users in a block setting can lead to housing management issues, issues for those leaving tenancies not suited to refuge accommodation and concerns from those with older male children. One area which service stated in particular was concerning was when the location of the accommodation was disclosed and the impact this had on their mental health and well-being.
- In 2019/20 an average of 8 children were present in Walsall's refuge provision a

week aged between 0-14 years, this proved a challenge for staff providing support and ensuring the setting is safely managed. In response to this a shorter term MHCLG funded Children and Young Persons Worker who commenced work in May 2020 has provided up to 6 sessions daily for children and young people. Feedback from service users and staff suggested this was positive, however service users stated a need for a therapeutic style service was also needed as the impact of DA was not fully recognised and wanted their families to be better integrated within communities.

- In 2019/20 the council Contracted Accord HA to provide a domestic abuse emergency dispersed accommodation and support service, for up to 10 dispersed units. Feedback from service users suggested a general support for dispersed accommodation and people feeling they generally were happier with the option to remain in a property and receive support as required. The pilot concluded the majority of the clients have sustained and remain within their properties 6 months post pilot. Feedback from those taking part in the pilot stated a potential need for a small level of refuge accommodation (for those with safety issues) but in the main the opportunity to rebuild their lives, realise their potential and receive support in a community based settings was an advantage.
- The dispersed pilot achieved a number of outcomes; Provided a safe and supported environment for domestic abuse victims; helped prevent re-victimisation; increase levels of tenancy maintenance in this group; enabled households to have their none secure tenancy converted to a secure tenancy; helped individuals achieve and maintain independent living skills; helped individuals access education and training and employment opportunities.
- In the 2019/20 financial year the Housing IDVA worked with 141 service users and for the 14 month period in the first year total cases were 170. The Year 1 allocation allowed for 2 months of the previous financial year (February and March 2019) to be included as the funding was allocated in January 2019.
- Of the 170 cases (which were for a 14 month period) 62 (44%) were medium risk, 33 (23%) were low risk and 75 (53%) were high risk. Of those who stated their ethnicity, in 2019/20 29% were from an ethnic minority group and 32% stated they suffered from a mental health issues.

7 How may the proposal affect each protected characteristic or group? The effect may be positive, negative, neutral or not known. Give reasons and if action is needed.

Characteristic	Affect	Reason	Action needed Yes / No
Age	positive	New service delivery model recognises children and victims in their own right and is seeking to provide effective support for children and young people. The safe	No

		accommodation element will ensure those with older male children are able to access accommodation also.	
Disability	Positive	Services targeted at those who require reasonable adjustments can be better provided through a model and one which is able to tailor targeted support. In the first half of 2020, 1 person with a disability accessed the refuge. There would be adequate provision should there be further referrals. Safe accommodation fit for the customer would mean that the customer may be able to either stay in that property and not have to move again or have a unit suited to their needs.	No
Gender reassignment	Neutral	No referrals to date, however a suitable safe offer (subject to further consultation) may make the customer more comfortable in reporting DA and coming forward for help, knowing that they	No

			will have suitable accommodation.	
	Marriage and civil partnership	Neutral	No information specific data is available and so the impact is not currently known – The cohort of people from previous years have not generally been in a marriage or civil partnership and tend to be single or a lone parent household. Where service users have been married, this issue normally will only be an issue if the service user wants to divorce (this is likely after permanent housing is secured)	Unknown
	Pregnancy and maternity	Positive	No information specific data is available and so the impact is not currently known. Where a service user is pregnant consideration is given to the household. A safe accommodation option could provide more settled accommodation with the right support for the customer ready for when baby is born.	Unknown
	Race	positive	The model is aligning support to the localities to align support closer to communities ensuring we can deliver better outcomes.	No

	Religion or belief	Positive	No information specific data is available and so the impact is not currently known	Unknown
	Sex	Positive	Women are more likely to experience homelessness than men. The refuge service is for women so all customers accessing the refuge will be female. An alternative safe accommodation option would mean that male victims could also be accommodated if required who may not be suited to traditional settings.	No
	Sexual orientation	neutral	No information specific data is available and so the impact is not currently known.	Unknown
	Other (give detail)			
	Further information			
8	Does your proposal link with other proposals to have a cumulative effect on particular equality groups? If yes, give details.			(Delete one) No/YES
	The safe accommodation delivery and support services will provide an opportunity to work collaboratively for council services achieving the key principles of Walsall's Domestic Abuse Strategy.			
9	Which justifiable action does the evidence, engagement and consultation feedback suggest you take?			

A	<p>No major change required</p> <ul style="list-style-type: none"> • Good engagement with communities' resources will be key once the service is procured as part of communication and implementation plan. • Further consultation with groups, third sector and customers in 2021/22 will ensure a safe accommodation option is sought
B	Adjustments needed to remove barriers or to better promote equality
C	Continue despite possible adverse impact
D	Stop and rethink your proposal.

Action and monitoring plan				
Action Date	Action	Responsibility	Outcome Date	Outcome
01/04/22	Monitor all characteristics where possible of those DV victims who access service to help to inform the development of future services.	MHJ/Childrens	Qtrly	Measure which clients are on project and referrals
	Conduct customer feedback/service improvement		Annually	Measure outcomes have been achieved
30/07/21	Conduct further	MHJ	Post cabinet approval	Look at service improvement through service user led forums.

	consultation on Safe accommodation options			

Update to EqIA	
Date	Detail
11/06/2021	Review EQIA as part of contract delivery

Contact us

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Cabinet – 21 July 2021

Shared Lives – Remodelling the Payment Methodology

Portfolio: Councillor Rose Martin: Adult Social Care

Related portfolios: All

Service: Adult Social Care

Wards: All

Key decision: Yes

Forward plan: Yes

1. Aim

To update Cabinet members with regards to the findings from the recent consultation with Shared Lives carers around the potential remodelling of Shared Lives payments. To ask Cabinet to consider the findings and seek approval to proceed to implementation of the new payment model. This update supports the initial Cabinet report presented in April 2021.

2. Summary

- 2.1. This is a key decision as it will affect all Shared Lives carers across all wards of the borough and a financial value in excess of £250k per annum.
- 2.2. The Shared Lives service has recently delivered a consultation exercise and invited 83 Shared Lives Carers to have their say, with a view to considering the remodelling of the payment structure for the Shared Lives scheme. Cabinet members agreed to this in April 2021, with the expectation for officers to return with the update and potential next steps as part of moving this forward. Shared Lives delivers a range of services locally as part of an ordinary “family environment”, maximising outcomes, independence and fulfilled lifestyle by being supported by a range of Host carers from the carers’ own home.

3. Recommendations

- 3.1. Cabinet to note the summary of key findings from the recent consultation exercise (**Appendix 1**).

- 3.2. Cabinet to approve the Directorate's wish to proceed to implementation of the preferred payment model inclusive of four bandings, for purpose of payments to Shared Lives carers. As originally set out within the report to cabinet in April 2021.
- 3.3. Cabinet to agree that this work can be delivered across several months as part of good practice and to maximise the opportunities of the service retaining its current cohort of carers, to minimise disruption to existing end users of the service and to ensure that people are given sufficient notice of the changes, noting that the changes will also require the support of other Directorate teams and systems to ensure the smooth process for payments across the scheme.

4. Report detail - know

- 4.1. The Shared Lives service recruits local people to become sustainable and innovative self-employed carers, who provide care and support to local people avoiding the need for costly traditional services and increasing their choice and outcomes.
- 4.2. Historically Shared Lives Carers have been paid based on individually costed care packages. This has resulted in a series of inequitable payments to Shared Lives carers, not necessarily reflective of the need of the service user and the service that the Shared Lives carer provides. The absence of a standard payment offer makes it difficult to recruit more carers.
- 4.3. The scheme was last reviewed in 2012 and inflationary uplifts have not been applied annually except for a 2.4% uplift applied in 2020/2021.

Context

- 4.4. Shared Lives is a very effective model of support to adults and young people who require support and care from Adult Social Care. The commissioned service is part of a regional and national model of service that is also aspiring to continued development and improvements that keep abreast of change and customer needs.
- 4.5. Shared Lives Walsall forms network arrangements with Shared Lives Plus, this is a regional network forum that is itself looking for new ways to modernise and incentivise carers to join this model of service delivery.
- 4.6. The purpose of the consultation was to give all existing Shared Lives carers the opportunity to have their say and shape the future of the Shared Lives payments model. Adult Social Care have developed a simplified model of banded rates shown at **Appendix 2**.
- 4.7. The rates are illustrative only and categorisations and values will now be further informed because of the recent consultation and based on 2020/21 budget allocations.

- 4.8. From the feedback received, 44 Shared Lives carers supported the need for a transparent payment structure. Some people added additional comments within the survey as to why the model is needed. A full breakdown of the consultation feedback is available on request
- 4.9. The work completed prior to the consultation helped to evaluate the current position and benchmark against regional and family group comparators and Shared Lives Plus at a national level. Engagement with existing carers prior to also formally consulting has meant that the options have been based on local, regional and national developments along with the financial affordability of any preferred offers moving forward.
- 4.10. The preferred option based on the information gathered before and after the consultation process is one that aligns to best practice and is very similar to the models used by other Local Authorities. Based on consultation feedback alongside the fact that there are a wide range of needs being supported by carers currently within Shared Lives has meant that the preferred model has been scoped financially and is one which will fit well within the local scheme.
- 4.11. Feedback on the core fundamentals of the preferred model were included in the consultation. These included:-
- Weekly rates for Long Term Care funded Low, Medium, High and Very High.
 - Nightly rates for respite with no premium for the first night's respite.
 - Day opportunity sessions in either half or full days categorised at the relevant level.
 - A transport payment model based on equity and fairness in terms of what the Shared Lives carer and user pay for, giving due consideration to welfare benefits received, specifically to fund transport.
 - Carers are required to attend at least 75% of training sessions and payment for attendance at training will become part of the core allowances paid. It is the expectation of Adult Social Care and the Care Quality Commission that accurate training records are maintained, as part of good practice.
- 4.12. Financial equity of payments to Shared Lives carers are considered and will continue to be so once any new model is introduced. Each Shared Lives Carer will be risk assessed against the funding that they receive as part of the preferred option, where they are likely to exit the service. Consideration will be made for a transitional payment to retain carers if the costs of alternative provision are higher eg Supported Living or Residential, or the needs of the individual service user are compromised or put at risk. Transitional payments will not be available to all carers as not all will require this. This will be arranged on an individual basis.
- 4.13. There are currently 53 paid carers registered with Shared Lives (however in approximately 20 instances, partners of the paid carer are also involved in the day-to-day care and support given to the service user). In addition to this there are approximately 28 Shared Lives carers registered, who can support the

service when necessary but are not providing a service at this time. The carers currently support 70 service users with a range of needs as part of their Social Care package.

- 4.14. The recent consultation event ran between April to the end of May in order to ensure all of the 83 Shared Lives carers invited to take part in the exercise had equal opportunity to do so and feed into the consultation should they wish to do so. 45 people in total participated in the consultation.
- 4.15. There was a mix of online and hard copy versions of the questionnaire/survey and participants were also offered opportunities to speak to an officer directly if they preferred to take part in that way. Follow up calls were made to the participants as were emails and a chaser to maximise the opportunities to seek as many views as possible as part of this exercise.
- 4.16. Prior to consultation, long term carers were made aware that the service needed to be developed in order to make it more sustainable for existing customers but also to ensure that it was an attractive opportunity for new carers in the future. Carers were made aware that the service could not remain as it was, and that the local authority needed to implement a standardised model in line with other local authorities.

Council Corporate Plan Priorities

- 4.17. The work delivered and developed for the Shared Lives financial modelling and reshaping of the service delivery locally, will wholeheartedly fit with the corporate priorities, the Proud Programme and is part of the Adult Social Care Transformation Plan.
- 4.18. There is a need to improve the customer experience, engagement, and focus on improving outcomes that promote independence, and improves health and wellbeing. Working to support the statutory functions also helps to support and align resources and responses to customer concerns, ideas and compliments.
- 4.19. The draft proposals link to numerous Corporate workstreams inclusive of Assets: Commissioning; Income Generation, and Third Party Spend. The Shared Lives service and its approach to delivery of outcomes will also help to bring some of the themes closer together.

Risk management

- 4.20. The risks to the existing service will be that some Shared Lives Carers may decide that they do not wish to continue to be a carer if the payment structure changes. That said from the outcome of the consultation, most respondents (31, 69%) support the use of a banded payment model, 4 do not support the change and 9 'don't know'.
- 4.21. The mitigations for the risks associated with people choosing to leave their role as a Shared Lives Carer will include the consideration of a transitional arrangement in order to minimise the placement becoming destabilised, but

with the recognition that by a point in time the Shared Lives Carer will be supported to transfer to the new model. Where this cannot be sustained, lead in times for exiting from a placement will be in place as part of the usual operational process. Individual arrangements will be monitored locally on a case-by-case basis.

- 4.22. When carers were asked if they felt that travel costs should be included in the payment for essential and none essential travel, 12 out of 16 respondents felt it should not be. Consideration has been given to the comments made in relation to this area and the potential mitigations can be realised as part of the request to proceed with the preferred options
- 4.23. 20 respondents (44%) agree that payment for attending/completing mandatory training is included in the overall payment for all Shared Lives carers. 16 disagreed and 9 did not know.
- 4.24. There are risks associated with the promptness of introducing the new model as there are current capacity issues across the immediate directorate with regards to PMO and systems support due to vacancies. Recruitment to these posts is in hand, but this could delay the timeliness of the introduction of this agenda, which in turn does impact on the Directorate's Transformation plan.

Financial implications

- 4.25. The preferred options have been modelled within the existing financial envelope at a service user level. The aim of the new model would therefore be to retain costs within the existing Shared Lives budget for 2021/2022 of £1.330m.

Legal Implications

- 4.26. No legal implications are identified.

Procurement Implications/Social Value

- 4.27. There are no known procurement implications associated with this report. The services are not procured as a contract for services therefore the Public Contract Regulations 2015, the Council's Contract Rules and Social Value Policy do not apply. Opportunities may however exist to derive Social Value benefits from the provision of services referred to in the report such as the environmental sustainability referred to in in section 4.33 of this report.
- 4.28. The draft proposal realises meaningful Social Value benefits in line with the Council's Social Value policy.

Property implications

- 4.29. No property implications are identified.

Health and wellbeing implications

- 4.30. Pro-active risk management across children and adults process and procedures will continue to be observed and reviewed throughout. The introduction of a strength based approach across the statutory assessment process would mean that all people currently living within a host carers' home for purpose of Shared Lives will receive regular reviews, thus receiving support to aspire and meet the outcomes set out within their strength based plan.

Staffing implications

- 4.31. No staffing implications are identified.

Reducing Inequalities

- 4.32. An initial Equality Impact Assessment (EqIA) has been completed as part of the draft model. The EqIA is updated for the purpose of this report and to include the outcomes from the recent consultation.

Climate Change

- 4.33. This project is not impacting on climate change, although as it is also the intention to attempt to promote independence and a strength-based approach with people, there may be far more opportunities to support people to connect and move across the Borough by foot for some journeys as opposed to by car or public transport-complimenting the positive approaches towards climate change and improved health and wellbeing where at all possible.

Consultation

- 4.34. Consultation took place from end of April and was extended to the end of May to attract the contributions from as many Shared Lives carers as possible. The consultation methods were online survey hard copy questionnaire on request, telephone conversation or email. There were chaser telephone calls and email reminders built into the timelines to maximise the input from as many Shared Lives carers as possible. The outcomes of the consultation are covered in section 5 of this report, but more detailed within the supporting slide deck (**Appendix 1**).

5. Decide

- 5.1. It needs to be recognised that the feedback from the consultation was from a small cohort of people, therefore it is important to focus on the numbers of people who took the time to take part as opposed to the percentage of people responding to a certain category of answers.
- 5.2. Out of possible 83 people invited to take part, 45 people who responded to the Question "Do you support the need to change the current Shared lives payment arrangements to create a clearer, fairer and more transparent payment structure?" 32 participants (70%) of the respondents agreed that they

did support this: 9 people (20%) said they didn't know and 4 people (9%) said that they did not support the need to change the current shared Lives payment structure.

- 5.3. Overall, based on the feedback as part of consultation, a large proportion of the Shared Lives Carers said they would continue to remain as Shared Lives Carers, with the remainder saying that they may leave and some saying they didn't know.
- 5.4. Most people agreed to the bandingsystem, and most would prefer the level four bandings. It is also recognised however that some preferred just 3 bandings as to have 4 would create pressures in relation to deciding whether to approve a level 4 payment or keep it at level 3 when the person's needs are very complex.
- 5.5. There is a need to decide how to manage the expectations around travel and travel costs. Although most people agreed that travel cost should remain outside the banding, alternative methods of payments for this outside the new model can also leave people open to vulnerability and uncertainty around when this can and cannot be reimbursed.

6. Respond

- 6.1. For Cabinetmembers to note the feedback from the consultation exercise and to consider the directorate's wish to proceed and introduce over the next few months, the preferred remodelled payment structure across Shared Lives which is the four banding System.
- 6.2. The EqIA will be used to inform the conversations with Shared Lives Carers and individuals who are end users of the service, to minimise disruption with regards to the changes that will take place around Shared Lives Carers payments.
- 6.3. All arrangements in relation to Shared Lives will be delivered via the registered office at Goscote as well as by the officers who are required to be involved to safely land this workstream across the Directorate; inclusive of finance, systems and PMO Officers as part of the whole system change for this service model.
- 6.4. The Shared Lives service are already working with the Corporate Communication team to attract new carers into the Shared Lives Scheme as part of a 12-month recruitment and marketing campaign.
- 6.5. The aim is to elevate the care and support scheme as a good practice model and one which is attractive to join as a paid carer, not just as an aspirational vocation, but a job which is also encouraging potential applicants from care; health; public facing backgrounds who can also consider this as a career, whilst offering a sound value base and nurturing approach to people, aged 16 plus who have a diverse range of needs.

6.6. To encourage all future carers to continue to promote a supportive, caring and welcoming environment for the person they are responsible for to live, as well as engaging in community life as much as possible and all of this as part of an agreed Person centred plan that is reviewed as part of a strength based set of goals that see a person develop new skills and aspirations.

7. Review

Governance arrangements for this work to take place via the Finance and Transformation Board for Adult Social Care.

Background papers

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Kerrie Allward
Executive Director
Adults, Public Health and Hub

12 July 2021



Councillor Rose Martin
Portfolio Holder
Adult Social Care

12 July 2021

APPENDIX 3 – Indicative Proposed Rates 2020/2021 Prices
Subject to amendment following agreement with Corporate Finance

These rates are illustrative only and categorisations' and values will be further informed by the consultation process.

Long Term Care			
Level 1 - Low		£310.42	per week
Level 2 - Medium		£362.72	per week
Level 3 - High		£412.72	per week
Level 4 – Very High		£480.00	per week

Respite Care			
Level 1 - Low		£44.35	per night
Level 2 - Medium		£51.82	per night
Level 3 - High		£58.97	per night
Level 4 – Very High		£68.57	per night

Day care			
Low needs		£29.40	Half day
Medium needs		£33.40	Half day
Low Needs		£58.80	Full day
Medium needs		£66.80	Full day

Half day –maximum 4 hours
Full day –maximum 8 hours

Other rates			
1:1 Day care		£11.24	per hour
Mileage not part of DLA		£0.41	per mile
Training		£8.91	per hour

Shared Lives Payments Carers Consultation 2021

Summary of findings V1
Anna King, Corporate Consultation Officer



Walsall Council

PROUD OF OUR PAST OUR PRESENT AND FOR OUR FUTURE

Background and methodology

After looking at other Shared Lives (SL) schemes around the country, taking on board recommended best practice from Shared Lives Plus and reflecting on feedback from carers, a draft payment and fee scheme has been drafted for consultation. The scheme puts forward a set of changes that would see Shared Lives fees and payments apportioned in a different way.

On 7 May 2021, 83 shared lives (SL) carers were emailed information and a link to an online questionnaire. The questionnaire asked for views on aspects of the proposed SL payments scheme.

To boost the number of responses, the closing date was extended by 1 week and carers contacted and encouraged to respond.

By the final closing date of 13 June 2021, 45 carers had responded, a response rate of 54%.

Demographics; questions collected a range of equality characteristics and will be used in the EqIA.

Results

Most respondents (24) have been a SL carer for 5 or more years, with 7 having performed the role for 3-4 years and 8 for 1-2 years. 4 respondents had been in the role for less than 12 months and 2 were not currently an SL carer.

Most had long term / permanent placements (20) with 16 providing day support and 13 short term / short breaks / respite.

8 respondents have been a foster carer in the past and 7 are current foster carers.

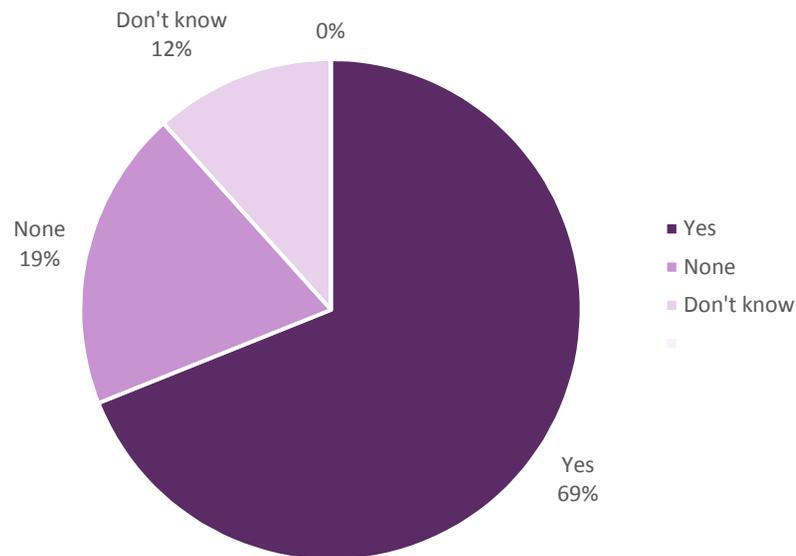


Most support the need for change

Most respondents (30, 71%) support the need to change the current SL payment arrangements to create a clearer, fairer and more transparent payment structure.

4 do not support the change and 9 'don't know'.

Support the need to change the current SL payment arrangements



Base: 45.



Reasons for supporting

Pay needs to reflect the needs off the service user, hence it should be tiered according to needs.

System of payment is unclear.

The current payments does not provide a fair wage for those of us who do not have more than two clients on a daily basis. We cannot earn a decent weekly wage because the day care rates do not even meet the minimum wage.

Each service user has individual needs, it's not a one size fits all case.

Some clients need greater support than others.

Currently the pay is not of an adequate level if worked out hourly for day support it is far less than minimum wage which is not right.

The more in depth work one does and the time involved in looking after individuals should be rewarded.

I think the pay is very low compared to the rest of the country and does really reflect the work we do to support vulnerable people especially if they need night support.



Reasons for not supporting

Could be a step to cut payments to carers that do a demanding, worthwhile and important job . Without these carers many who use the shared lives may find a shortage in placements in the future

I prefer to leave payments as they are. Separate petrol allowance is a great help.

I offer 1:1 care with 1 adult (Level 3) for 36 hours 3 out of 4 weekends, so for 24 hours care I'm earning £2.45 an hour, If you consider 6 hours sleep even though you're on alert for every noise as they are epileptic 18 hours I'm earning £3.27 an hour, this covers personal care for showering as they cannot be left alone, it really is laughable and worth me considering if I really want all the hassle for this pittance.



Reasons for don't know if support

I do not fully understand how it will work. Is mileage included in the hourly rate? Also why has the first nightly rate been halved? It would not be worth doing overnight stays.

Only if carers do not end up with less money than they already earn. To reduce a person's wage but expect them to carry out the same work would be unfair.

I'm concerned on out a pay drop which we feel would not be fair as the person we support has extremely high needs and is two to one.

Because I look after three people with complex special needs, One more so with physical disabilities, one with physiological and personality issues and one with a great deal of medical issues and incontinence problems. I would hope that the review of the payment system would take into account the enormity of the work required to care for these people properly.

My young persons health has changed & deteriorated extremely. In a way that was never expected creating extra pressure on us as a family & our commitments.



Most support a banded payment model

Most respondents (31, 69%) support the use of a banded payment model. 4 do not support the change and 9 'don't know'.

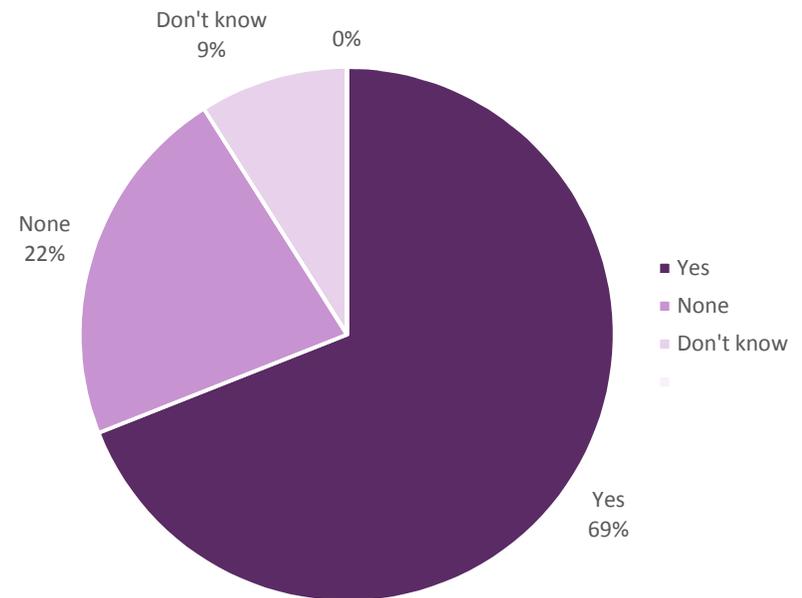
Reasons for not using bands included;

“Treat all carers exactly the same regardless of situations.”

“I agree there is room for improvement as a pay scale in line with government guidelines calculated payments on dependency level might work.”

“Feel that not enough information has been given before the scheme would be introduced.”

Support for a banded payment model



Why prefer 4 bands and don't know

Why prefer 4 bands;

"Clients have a vast range of different needs."

"Because there could be a service user that displays some but not all of the complex or behavioural needs so a 4th banding allows the differentiation between someone meeting partial criteria for 3rd banding and full in 4th."

"Because there is further breakdown so all carers should understand what is required and will in turn understand payments."

"Those with severe disabilities or issues that require much more carer support, the carer should be paid for their expertise and work load."

Don't know how many bandings;

"We Would like this explanation of banding before we comment."

"Do not appear to be much difference to the old and new rate if it does not include mileage?"

"Because we are not sure how we would be affected."

4 bands are preferred over 3

18 of the 45 respondents (40%) prefer a 4 banded model, whereas 14 (31%) prefer 3 bands. 11 don't know and 2 respondents said they did not want bandings introduced.

Why prefer 3 bands;

“Simpler to understand and more consistent than challenging the next tier up.”

“In line with other shared lives schemes.”

“3 should be sufficient.”

“I believe it should be medium, complex and very complex.”

“I believe the four band system will take the route of putting people who are borderline complex into a medium grouping, depending on evaluation and who defines complex and very complex as the nature of the individuals we support daily changes and assessments will only be set on a specific date.”

“More streamlined.”



Other support that needs to be take into account

It is proposed that physical, emotional and behavioural support needs are taken into account when deciding a service user's banding. Respondents were asked if they felt any other support needs should be taken into account.

Many comments mentioned the need to take into account personal care needs and medical needs as well as mental health needs.

“The amount of personal care each client needs.

“Incontinence and amount of extra working involved with this issue. Number of medical appointments, amount of prescribed medication that needs be administered.”

“Medical needs for those who need to be given medication whilst in our care. Personal care needs also.”

Some wanted family circumstances / issues to be take into account and whether care was 24hr or not. Others mentioned autism and cognitive behaviour needs, as well as communication and faith / cultural needs.

Include payments for mandatory training

20 respondents (44%) agree that payment for attending / completing mandatory training is included in the overall payment for all SL carers. 16 disagreed and 9 did not know.

Fairness is important to SL carers as the reasons given for not wanting training payments show;

“Mandatory training should be paid for when it is completed. Some carers may need respite whilst they are on training and due to circumstances of the adult placement need may not be able to attend mandatory training on a fixed date.”

“Not all cares may be able to attend on the given day, commitments may clash, have to leave training early to collect placement from school/ college.”

“I attend 95% of meetings and training courses, you can count on your fingers the number of carers that turn up for meetings or training, the only time I've seen lots of people turn up is when payments were being discussed.”

“As the training is mandatory it should be reimbursed separately from care.”

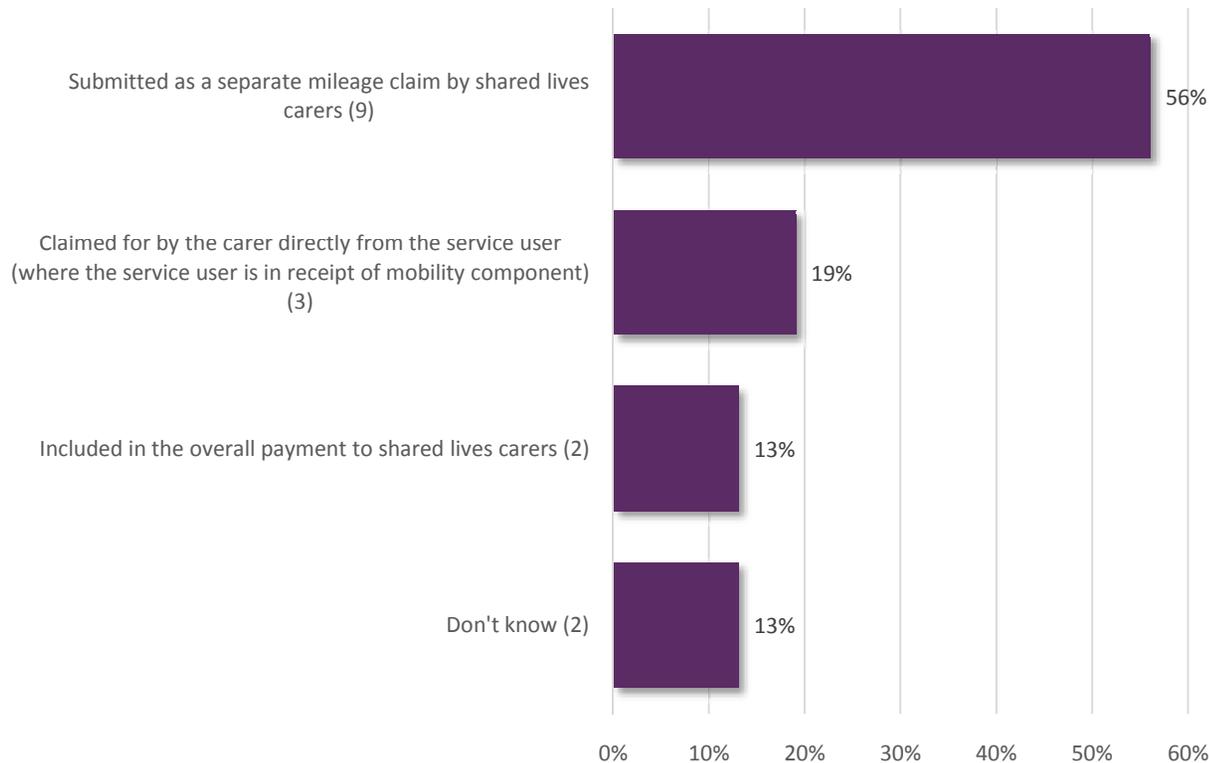
“My other work colleagues were able to claim thus I was never allowed.”



Travel and mileage

Most, 12 out of the 16 respondents who answered the question, disagree that payment for routine travel and mileage should be included in the overall payment for all SL carers. 3 thought that it should and 1 person did not know.

Non routine trips



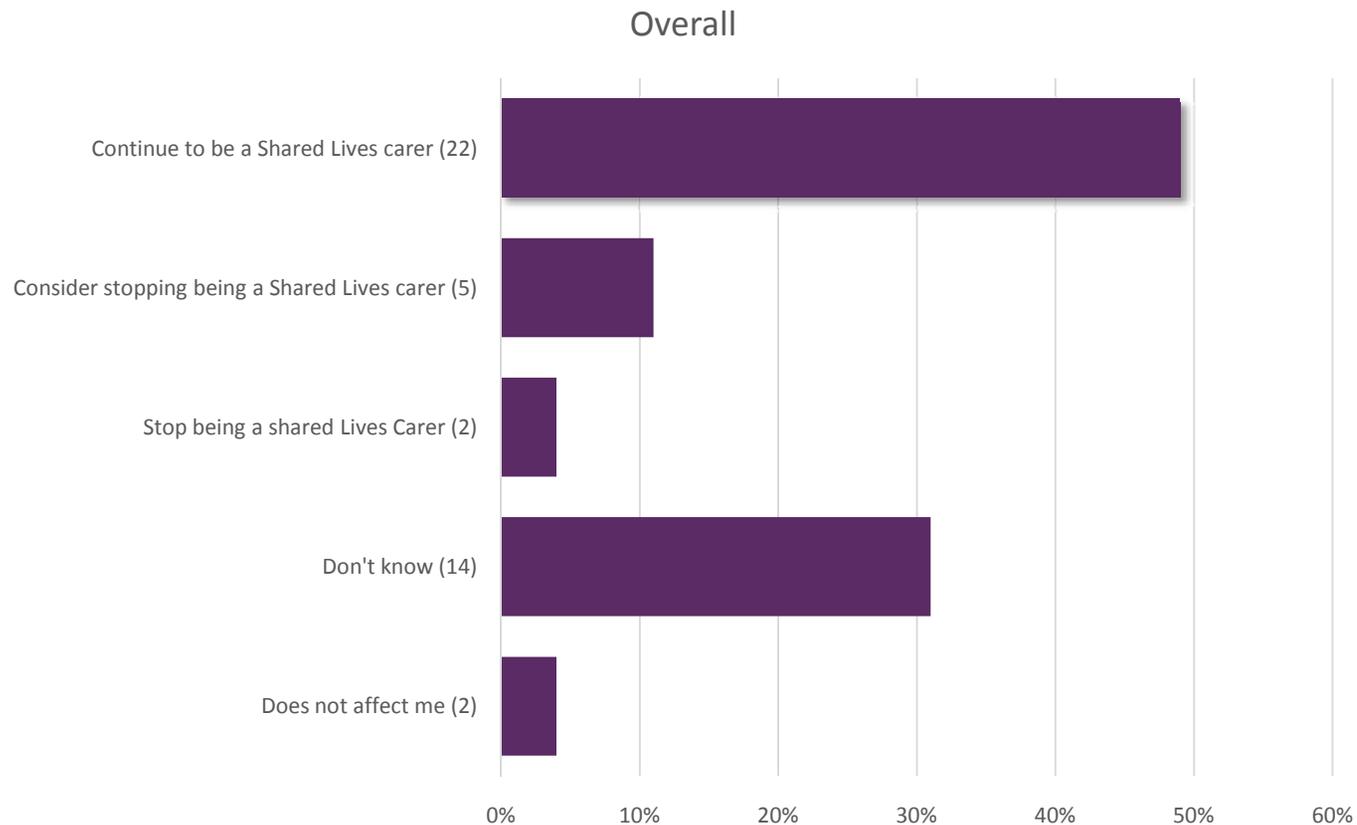
Most respondents (9 out of 16 respondents) think that the costs incurred for non routine journey's should be submitted as a separate mileage claim by shared lives carers.

3 felt it should be claimed for from the service user and 2 included in the overall payment.

Base: 16.

Overall most will continue to be a SL carer

Most respondents (22 out of 45) plan to continue being a SL carer if the new payment arrangements are approved. However a total of 12 could potentially stop (2 say they would stop if it was introduced) and a further 14 said they don't know.



Base: 45.



Impact of proposed payment scheme (continue)

Well it would improve quality of life and enhance enthusiasm.

In my case it would be better and paid for what you actually do.

As long as it is fair it would positively impact me by making me more happy in the discharge of my duties.

As previously stated the person we take care of is two to one and we it has been stated that the persons needs are extremely high and needs 24 care with continuous monitoring . We are worried that the payment we receive will change and will not reflect the amount of support needed .

Not sure at present depending on what band I would be working with.



Impact of proposed payment scheme (consider)

Its hard to work out whether or not I would personally be better or worse off due to the HIDDEN deductions from the predicted rates but after working on the same agreed rate for nearly 10 years a decrease will not be acceptable in fact an insult.

Having been furloughed because of the pandemic I have coped financially, the shared lives money is useful but it has proved I don't need it to survive.

If day carers are not provided with more than one suited clients, then whatever they receive in payments would impact on them.



Impact of proposed payment scheme (stop)

I provide respite care for 2 young adults and day care for just the one. It will not affect me greatly with my one adult I care for, both her respite and day care money wouldn't change dramatically I don't think! But with the second adult it will literally make my wages disappear and therefore make it impossible for me to continue with the scheme. I've been a shared lives carer for 10 years, I love my job but I have to be realistic I can't live on fresh air so I would be forced to find employment elsewhere and this could potentially jeopardise the young adults current long term placement too as its with my family, we all work in the scheme together. If I stop providing support for them this change will probably force my parents to retire too and 2 young adults out of a loving family home they've known for over 25 years!

If the scheme means I am paid less than what I receive now I will resign from shared lives. I have spent considerable amount of money adapting my home to accommodate a service user, so the service user can be independent, confident and have a good quality of life. i.e. amongst many adaptations I have installed sensor lights in communal areas, toilet as the user has cognitive difficulties. I have installed automated appliances to support independence. I pay full council tax £1408 because due to the unfair council tax legislation the service user is counted as a council tax payer, so I will not be further out of pocket financially.



Impact of proposed payment scheme (don't know)

I am not sure yet until the payment rates and bands of my clients have been decided.

If the remuneration was reduced, then I would have to consider whether I could carry on doing the job.

I think the proposed payment scheme will impact me in particular as I have a mileage allowance and it should be kept separate .if our hourly rate is above minimum wage then fair enough.

It's 24/7 whoever you look after there is no time off and in my opinion the pay is low for the hours worked.

It depends whether overall I would be worse off under the proposed scheme. If I was going to be earning less then I would probably look for something else.

All areas of change should be considered individually ... added pressure of financial change could affect a long term family placement in many ways.

As day/evening support at the moment it can sometimes feel as if you are undervalued in relation to long term carers, any system that provides fairness and the importance of all staff within the scheme would be preferable, especially for the continuation of our provision as carers within the scheme.

Not sure at present depending on what band I would be working with.



APPENDIX 3 – Indicative Proposed Rates 2020/2021 Prices
Subject to amendment following agreement with Corporate Finance

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Level 2 - Medium		£51.82	per night
Level 3 - High		£58.97	per night
Level 4 – Very High		£68.57	per night

Day care			
Low needs		£29.40	Half day
Medium needs		£33.40	Half day
Low Needs		£58.80	Full day
Medium needs		£66.80	Full day

Half day –maximum 4 hours
Full day –maximum 8 hours

Other rates			
1:1 Day care		£11.24	per hour
Mileage not part of DLA		£0.41	per mile
Training		£8.91	per hour

Equality Impact Assessment (EqIA) for Policies, Procedures and Services

Proposal name	Shared Lives Remodelling and permission to consult		
Directorate	Adult Social Care		
Service	Shared Lives Service		
Responsible Officer	Jeanette Knapper		
Proposal planning start	Initially commenced as part of Scheduled payments 2018/19, Phase two post consultation (July) .	Proposal start date (due or actual date)	Post cabinet approval July 2021

1	What is the purpose of the proposal?	Yes / No	New / revision
	Policy		
	Procedure		
	Guidance		
	Is this a service to customers/staff/public?	Yes	
	If yes, is it contracted or commissioned?	commissioned	
	Other - Standardised payment model		New
2	<p>What is the business case for this proposal? Please provide the main purpose of the service, intended outcomes and reasons for change?</p> <p>Walsall Shared Lives Scheme aims to enable service users to maximize their potential to live full independent lives, within a community setting and to enjoy all the rights and responsibilities of citizenship.</p> <p>Walsall Shared Lives Scheme staff and Shared Lives Carers are committed to promoting the physical, emotional and spiritual wellbeing of the people in adult placements, and their protection from abuse and harm.</p> <p>Shared Lives recruits, selects and approves Shared Lives Carers from all sections of the Walsall community, irrespective of ethnicity, culture, sexuality or if they have a disability. Ongoing support, monitoring and reviewing is provided to all carers, alongside regular placement reviews.</p> <p>Walsall Shared Lives works closely with children's services to enable a smooth transition for younger adults. Beginning the matching processes prior to a person's 18 birthday, introducing children into adulthood.</p> <p>Shared Lives offer delivers to local people of Walsall, both in terms of recruiting local</p>		



people to become sustainable and innovative self- employed carers, as well as to create opportunities for vulnerable people to benefit from local life within a host carers home, rather than entering into costly traditional model of care as an alternative.

Aspiration is for Walsall to move to a standardised care model for all aspects of care frequently used by other authorities and recommended as best practice from Shared Lives Plus. Adult Social Care’s draft proposal, for consultation is for a simplified model of banded rates and the draft implementation plan for this proposal, should it be approved.

There is a significant amount of time spent administering payments to existing Shared Lives Carers requiring multiple hand offs to 4 different teams. There is a full time administrative post currently dedicated to this. It is anticipated that if a standardised payment model is implemented it would generate administration efficiencies via establishing selectable rates in Mosaic and scheduled payments to Carers.

A new payment model should enable transparency to existing service users on the Shared Lives payment offer as well as being understandable and attractive to new Carers who wish to join the scheme. The scheme above all should be equitable. The draft proposal will give practitioners clarity on the rates to be utilised, something which has not been available in the past.

first request to cabinet is to seek permission to consult with all existing Provider carers part of the Shared lives scheme

3	Who is the proposal likely to affect?		
	People in Walsall	Yes / No	Detail
	All	Yes	<p>This will impact on all current Shared Lives Carers and the service users they support in the Shared Lives Scheme and future carers. There are currently 101 carers registered with Shared Lives. They accommodate 68 service users with a range of needs as part of their social care package.</p> <p>Please see tables and charts in section 4 for further details with regards to the characteristics of both carers and service users which presents a broad range of age, ethnicity, and religion of both carers and service users.</p>
	Specific group/s	Yes	
	Council employees	Yes	
Other (identify)			
4	Please provide service data relating to this proposal on your customer’s protected characteristics.		

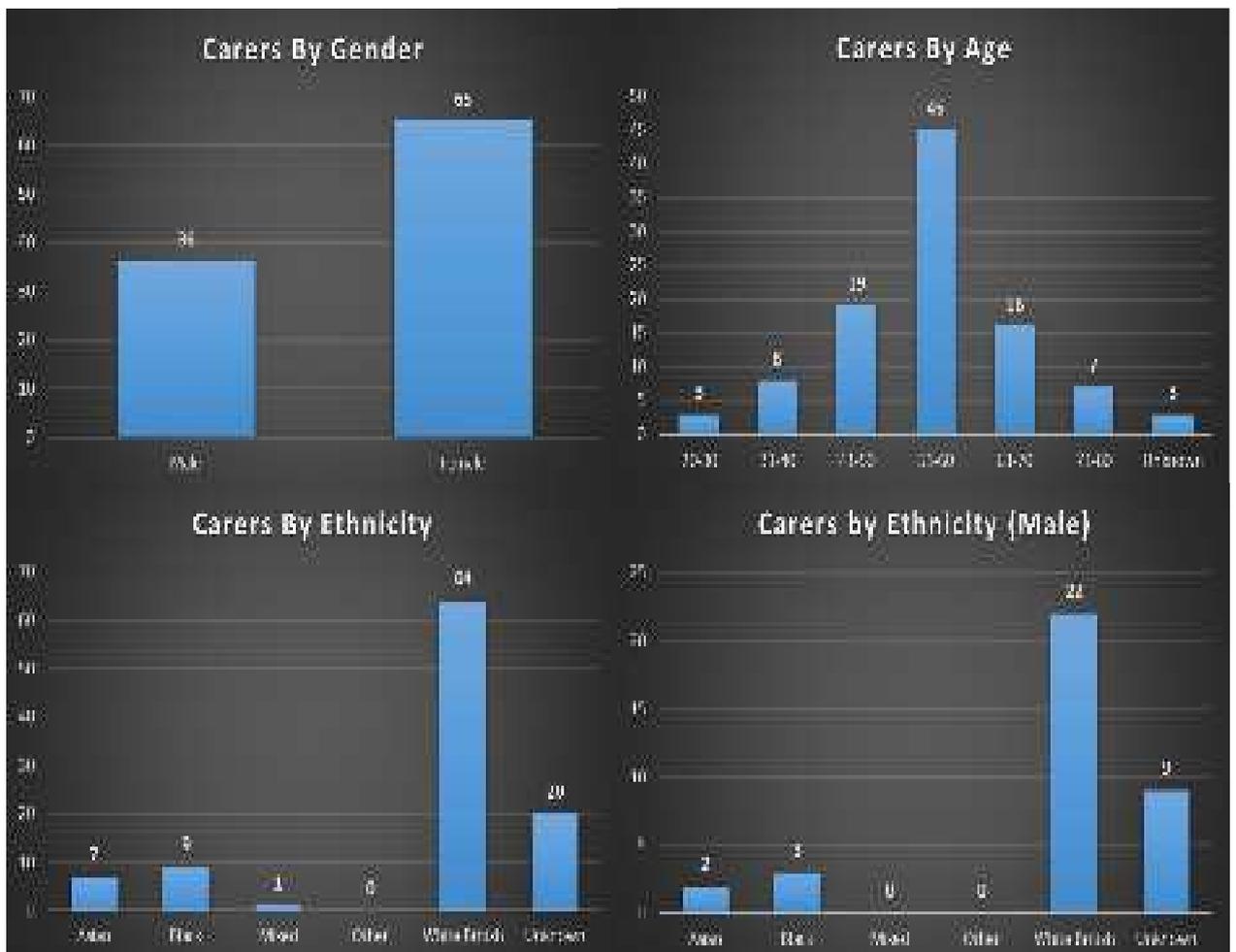
In Summary of the below statistics:

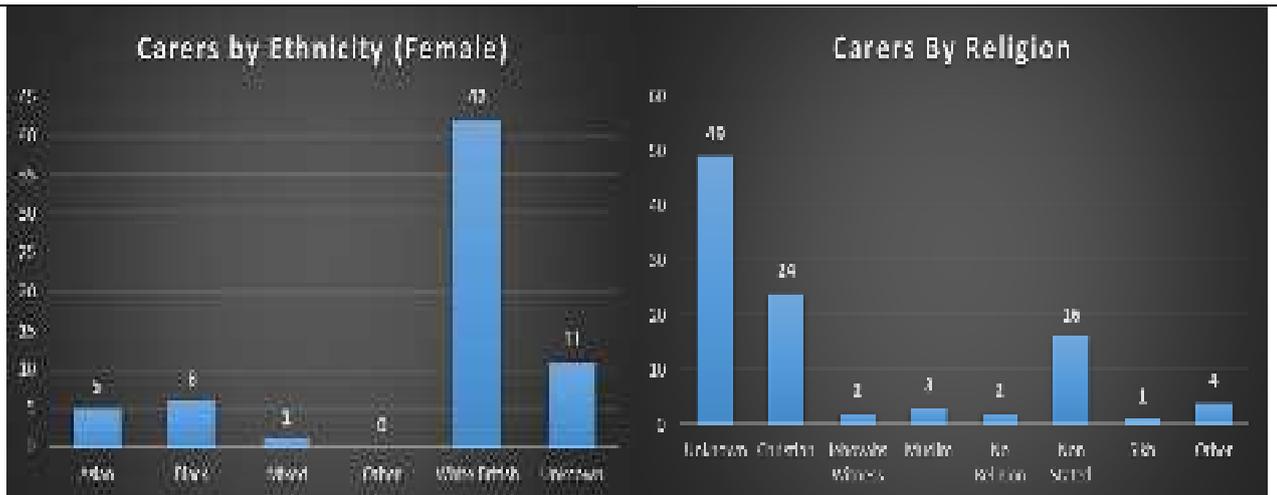
Over 70% of the carers are over the age of 51 highlighting a risk factor with regards to longevity of the service provision being able to be provided particularly where the service provision is high needs. In light of this, it highlights a need to procure younger carers particularly as 38% of Service users are under 30 highlighting a risk to the sustainability of these packages of care. The tables and charts below give details with regards to the characteristics of both carers and service users which presents a broad range of age, ethnicity, and religion of both carers and service users.

Carers

Carers	
Gender	
Male	36
Female	65
Age	
20-30	3
31-40	8
41-50	19
51-60	45
61-70	16
71-80	7
Unknown	3
Race	
Asian	7
Black	9
Mixed	1
Other	0
White British	64
Unknown	20
Race (Female)	
Asian	5
Black	6
Mixed	1
Other	0
White British	42
Unknown	11
Race (Male)	
Asian	2
Black	3

Mixed	0
Other	0
White British	22
Unknown	9
Religion	
Unknown	49
Christian	24
Jehovahs Witness	2
Muslim	3
No Religion	2
Non Stated	16
Sikh	1
Other	4



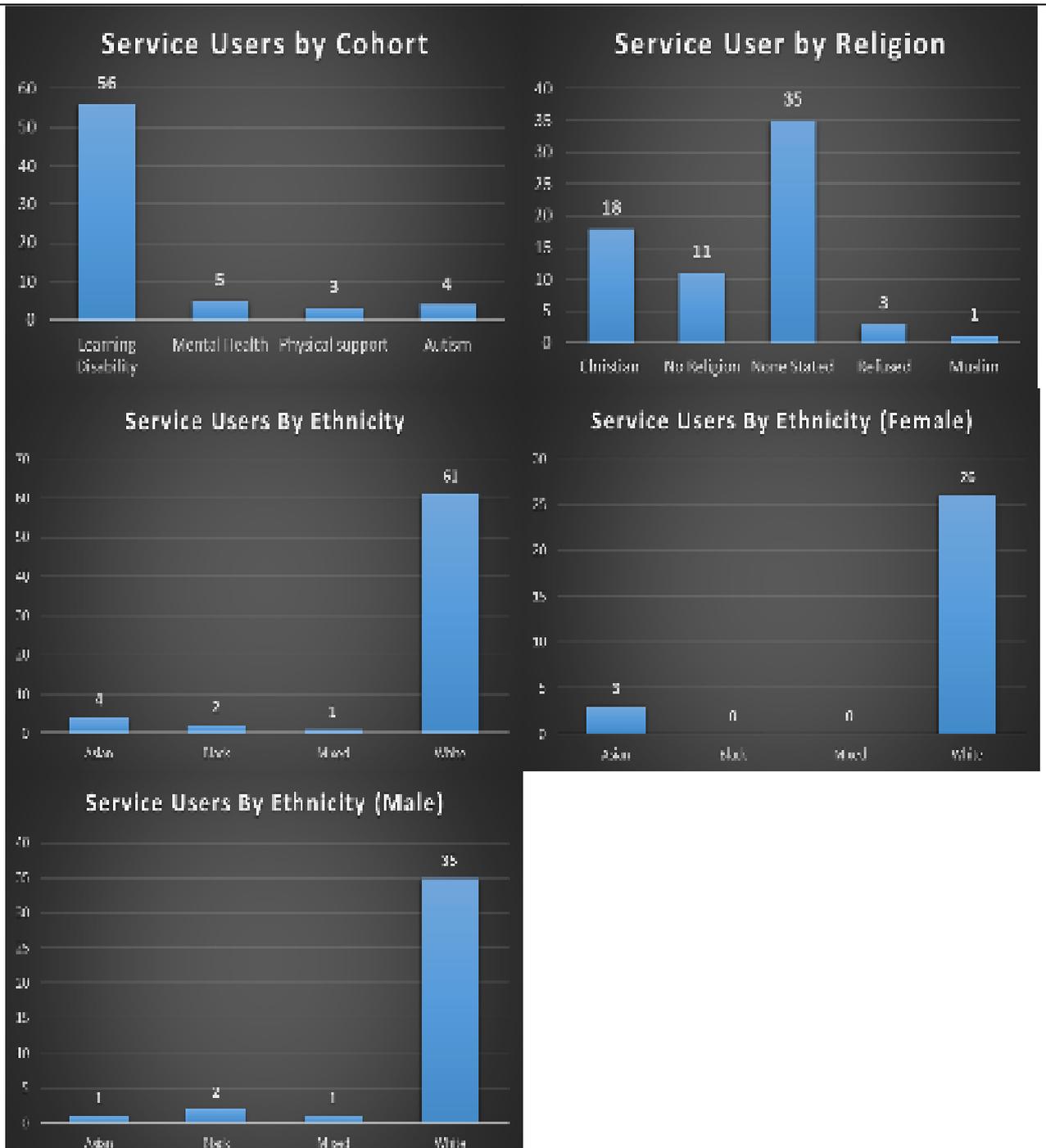


Service Users

Service Users	
Gender	
Male	30
Female	38
Age	
0-20	9
21-30	17
31-40	12
41-50	9
51-60	11
61-70	5
71-80	4
81-90	0
91-100	1
Unknown	0
Cohort	
Learning Disability	56

Mental Health	5
Physical support	3
Autism	4
Ethnicity	
Asian	4
Black	2
Mixed	1
White	61
Ethnicity (Female)	
Asian	3
Black	0
Mixed	0
White	26
Ethnicity (Male)	
Asian	1
Black	2
Mixed	1
White	35
Religion	
Christian	18
No Religion	11
None Stated	35
Refused	3
Muslim	1





By introducing the remodelling opportunity for payments it is hoped that this will not only provide equity for all work delivered to support vulnerable people who are supported on the scheme, but also to attract new carers to grow the service in order to provide an attractive alternative to traditional models of care and that Shared Lives becomes more of a career as well as a vocation.

5 Please provide details of all engagement and consultation undertaken for this proposal. (Please use a separate box for each engagement/consultation).

2019 – Shared Lives Carers engagement meetings – this is when discussed the modernisation of Shared Lives offer to attract new carers and widen the offer as stakeholders/practitioners expressed a need for Shared Lives for older people and other client groups and to look at the service as a stepping stone for younger people to independent living.

At the moment the current situation is that over 70% of the carers are over the age of 51 highlighting a risk factor with regards to longevity of the service provision being able to be provided particularly where the service provision is high needs. In light of this, it highlights a need to procure younger carers particularly as 38% of service users are under 30 highlighting a risk to sustainability of these packages of care.

Our plan is to include further engagement with existing service user/shared lives and future potential carers.

Satisfaction Surveys

The Service User survey had a response rate of 44% (31 respondents)

The Carer's survey had a response rate of 37% (27 respondents)

The service user annual satisfaction survey for Shared Lives as of the 2019 survey, shows a 90% satisfaction rating of "Very Happy".

The carers Survey for 2019 shows an 84% rating of "Very good" with regards to how the Carers rate their experience of being a Shared Lives carer.

In summing up being a Shared Lives Carer in one sentence, these were some of the responses:

"Making a difference to people's lives, and seeing them happy"

"Worthwhile and rewarding"

"rewarding, challenging, satisfying, with a sense of accomplishment"

	Consultation Activity Complete a copy of this table for each consultation activity you have undertaken. (meetings with the carers, practitioners). Eg.			
	Type of engagement/consultation	Carers meetings re: new payment schedule model.	Date	17/01/19
	Who attended/participated?	Existing shared Lives Carers Officers of the Council		
	Protected characteristics of participants			
	Feedback : carers meetings – that pay be reflective of the work undertaken. Stakeholders: In scoping and developing the draft model, extensive internal stakeholder consultation took place with Adult Social Care commissioning in November 2018 and the final model had been informed by this feedback.			
6	Concise overview of all evidence, engagement and consultation			
	We need to recruit more carers, making it an attractive offer, that will better meet the needs of the people who could use the service; older people, transition etc. Different range of people to use it.			
7	How may the proposal affect each protected characteristic or group? The effect may be positive, negative, neutral or not known. Give reasons and if action is needed.			
	Characteristic	Affect	Reason	Action needed Yes / No
	Age Yes, more opportunity	Yes	- More opportunities	
	Disability Yes positive, more opp	Yes	- positive and more opportunities	
	Gender reassignment No. neutral N/A	N/A		
Marriage and civil partnership N/A	N/A			

	Pregnancy and maternity N/A	N/A	
	Race Positive if service grown and recruit more carers reflective of population of Walsall	Yes	positive as the service is grown and we are Able to recruit more carers, reflective of the Population of Walsall.
	Religion or belief N/A	N/A	
	Sex : Positive	Yes	Positive
	Sexual orientation: N/A	N/A.	
	Other (give detail)		
	Further information		
8	Does your proposal link with other proposals to have a cumulative effect on particular equality groups? If yes, give details.		(Delete one) Yes
	<p>Yes the proposal links with the overarching needs of the Directorate and Corporate plan and its attempts to improve the lives of local people. It also means that we will be able to promote different ways of working by attracting a new workforce and innovation to the existing Scheme, linking also to maximising independence across vulnerable groups, giving them more opportunities around choice and also ensuring that the workforce are delivering service and support and receiving status and payment in line with front end service delivery-added value and cost effective in terms of affordability to the council</p>		
9	Which justifiable action does the evidence, engagement and consultation feedback suggest you take?		
	A	No major change required	
	B	Adjustments needed to remove barriers or to better promote equality	
	C	Continue despite possible adverse impact	
	D	Stop and rethink your proposal,.	

Action and monitoring plan				
Action Date	Action	Responsibility	Outcome Date	Outcome
21.4.2021	To go to Cabinet for permission to consult.	Jeanette Knapper		Proceed to consult and return to Cabinet Sept
24,6,2021	Forward plan submitted to revisit cabinet again July	Jeanette Knapper/Kerrie Allward		
24.6.21	CMT report incl feedback from consultation	Jeanette Knapper	1.7.2021	Proceed to Cabinet to update on consultation outcomes
<p>Consultation completed and the safe mitigations in order to minimise any disruption to people who receive the support via Shared Lives carers will be suggested as aprt of the preferred option to implement as part of the final design and the standing up of the a new model for payments.</p>				

Update to EqIA	
Date	Detail
<p>Use this section for updates following the commencement of your proposal.</p>	

Contact us

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Inside Walsall: http://int.walsall.gov.uk/Service_information/Equality_and_diversity

Cabinet – 21 July 2021

Liquid fuel supply contract

Portfolio: Councillor Oliver Butler, Clean and Green

Related portfolios: None

Service: Clean and Green Services

Wards: All

Key decision: Yes

Forward plan: Yes

1. Aim

1.1 The Council requires fuel to deliver a number of frontline services, including waste collections, street cleaning, highway maintenance and school transport. The Council's vehicle fuel and heating oil contract ends on 30 September 2021. To prevent service disruption and minimise costs a new contract is required.

2. Summary

2.1 Currently, fuel is supplied by Certas Energy UK Ltd, via a contract for heating oils and road fuels, which was procured by Sandwell Council on behalf of the Black Country Purchasing Consortium, which also includes Walsall, Dudley and Wolverhampton Councils.

2.2 Sandwell are not planning to repeat this process when the contract expires, as they intend to use an existing framework.

2.3 This is a key decision because the cost of renewing this contract exceeds the threshold for significant expenditure and it will have an affect across all Council wards.

2.4 The alternatives for reprocurring this contract have been evaluated and the most favourable option is recommended for approval.

3. Recommendations

Note: Following consideration of the confidential information in the private session of the agenda, Cabinet is recommended to:

- 3.1 Approve the award of the contract to supply vehicle fuel and heating oil to Certas Energy UK Ltd through the Yorkshire Purchasing Organisation Liquid Fuel 981 framework for an initial period of 24 months commencing 1 October 2021 with the option to extend the contract for a further 24 months (2 x 12 month extensions).
- 3.2 Delegate authority to the Executive Director of Economy, Environment & Communities to authorise the award of the contract to Certas for the initial 24 months and the two subsequent 12 month extensions.

4. Report detail – know

Procurement Process

- 4.1 The Council's contract rules state that existing Council contracts, EU rules and UK compliant purchasing consortium arrangements or framework agreements shall be used whenever available.
- 4.2 Eastern Shires Purchasing Organisation (ESPO) and Yorkshire Purchasing Organisation (YPO) are two major frameworks for fuel supply and charge a management fee through the supplying company to cover their costs. ESPO charge 0.30p per litre and YPO charge 0.25p per litre.
- 4.3 YPO ran a mini competition on behalf of Walsall Council for an initial period of 24 months commencing 1 October 2021 with the option to extend the contract for a further 24 months (2 x 12 month extensions) with the following companies who had already been 'pre-qualified' as to their general suitability to supply fuel in the West Midlands area:
 - Certas Energy UK Ltd
 - Crown Oil Ltd
 - Rix Petroleum (Hull) Ltd
 - Standard Fuel Oils Ltd

Certas Energy UK Ltd and Rix Petroleum Ltd replied with completed submissions
- 4.4 The two companies that replied to the mini competition were evaluated by:
 - Senior Operations Manager – Fleet Services
 - Procurement Manager – Fleet Procurement
- 4.5 Further competition award criteria:

FURTHER COMPETITION AWARD CRITERIA	
CRITERION	PERCENTAGE WEIGHTING
Cost	80%
Quality, Delivery, Customer Service & Account Management	20%.

4.6 Cost:

4.7 YPO stipulates that the price evaluation will be conducted using the Chartered Institute of Public Finance and Accountancy (CIPFA) tender submission and scoring methodology.

4.8 The weekly price margin is considered commercially sensitive and could prejudice the commercial interests of the suppliers involved if the information were to be made publicly available. The information, which is included in the accompanying private session report is only to be used to determine a best value solution for Walsall Council.

4.9 Quality, Delivery, Customer Service & Account Management:

4.10 The tender response includes the customer's technical mandatory requirements (MR Tech) relating to this mini competition, which are all pass/fail criteria. Both Certas and Rix received the maximum (20%) quality score.

4.11 Final Evaluation Result:

4.12 Certas achieved the highest score in the evaluation, taking account of the Council's forecast use of each type of fuel.

4.13 **Council Corporate Plan priorities**

4.14 Most, if not all of the Council priorities as set out in the 2018-2021 Corporate Plan rely on transportation in one form or another and requires a reliable supply of vehicle fuel.

4.15 **Risk management**

4.16 As part of the qualification process for the YPO framework the suppliers have been assessed for their financial stability, track record, experience and contract management capability.

4.17 Using the framework will assist with business continuity planning and help to minimise the risk of disruption to fuel supplies. In the event of any supply issues, YPO would intervene on our behalf. If necessary, the Council would be able to switch to a different supplier on the same framework, without the need to run a tender process or paying retail pump prices, which are considerably higher than the prices available through the framework.

4.18 ***Financial implications***

4.19 There are no financial implications with this report. Certas is the current supplier and there are no significant changes to their margin. There may be financial implications as a result of fluctuations in the global price of oil. These will be mitigated against through the measures being taken to minimise consumption.

4.20 ***Legal implications***

4.21 Walsall Council will enter into the contract on the predefined terms and conditions provided by the framework, which are suitable for local authority use.

4.22 ***Procurement Implications/Social Value***

4.23 Based on last year's spend of £740,571 for vehicle and heating fuel, the total contract value for the 4 year period of the contract and extensions would be approximately £2,962,284. This is a strategic contract, which needs to be tendered for or, purchased via a framework and awarded by Cabinet or delegated authority to comply with contract rules.

4.24 ***Property implications***

4.25 There are no property implications with this report.

4.26 ***Health and wellbeing implications***

4.27 The health and wellbeing of Walsall residents relies on the services supplied by the Council, such as waste collection, maintenance of parks, schools and leisure centres including grassed areas for dog walking, mobile library etc. All of which all rely on vehicles and mowers which depend on a reliable source of fuel to create and develop healthy and sustainable places and communities.

4.28 ***Staffing implications***

4.29 There are no staffing implications.

4.30 ***Reducing Inequalities***

4.31 A consultation and equalities officer from resilient communities has agreed that an equality impact assessment is not required for this proposal.

4.32 **Consultation**

4.33 No external consultation was required for this proposal.

4.34 **Climate Change Implications**

4.35 In October 2020 Cabinet approved a 5 year action plan with the objective of being a net zero council by 2050. The plan includes a range of initiatives related to transport and fuel management, such as a requirement to reduce unnecessary miles and trips by optimising routes and maximising the performance of vehicles.

4.36 All staff who drive council vehicles must comply with Council's requirements on driving to optimise fuel economy, as set out in the driver's handbook. This is tested in the mandatory annual driver training.

4.37 The Clean & Green transport manager reviews fuel usage across the fleet, and where poor performance is identified, will undertake additional driver assessments that includes a session on fuel efficient driving.

4.38 The action plan also includes longer term objectives to review the council's car pool scheme and to deliver an electric fleet. These initiatives will further reduce the number of trips, the demand for fossil fuels and costs.

5. Decide

5.1 Choosing Certas to supply vehicle and heating fuel through YPO Liquid Fuel 981 framework is recommended as the most advantageous combination of cost and quality to meet the Council's requirements.

6. Respond

6.1 If approved YPO will issue the award decision documentation (acceptance and rejection letters) via YPO's e-portal on Walsall's behalf and implement an advised optional 10-day standstill period.

6.2 YPO will also publish a contract award notice within 30 days of the award on Walsall's behalf.

7. Review

7.1 The contract will be monitored on a day to day basis and reviewed before the end of the initial two year period for the first of the two twelve month extensions.

7.2 YPO will also monitor the progress and performance of the arrangements throughout the framework term to ensure Walsall's needs are being met.

Background papers

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Simon Neilson
Executive Director

12 July 2021

Councillor Oliver Butler

Councillor Butler
Portfolio Holder

12 July 2021

Cabinet – 21 July 2021

Variation to Determined Admissions Arrangements for 2021.22 and 2022.23

Portfolio: Councillor Towe, Cabinet Member for Education and Skills

Related portfolios: None

Service: School Admissions and Appeals, Access Service

Wards: All wards

Key decision: Yes

Forward plan: Yes

1. Aim

- 1.1 To ensure that Walsall Council meets its statutory duty to ensure that children who appear (to the admission authority) to have been in state care outside of England and ceased to be in state care as a result of being adopted are given equal first priority in admission arrangements, alongside looked after children (LAC) and children who were previously looked after by English local authorities (PLAC).
- 1.2 This is a mandatory requirement for all admissions authorities following publication of the draft School Admissions Code (2021) and the associated regulations in May 2021. The code is expected to come into force on 1 September 2021.

2. Summary

- 2.1 Paragraph 1.7 of the draft 2021 School Admissions Code (the Code), requires children who appear (to the admission authority) to have been in state care outside of England and ceased to be in state care as a result of being adopted to be given equal first priority in admission arrangements, alongside looked after children (LAC) and children who were previously looked after by English local authorities (PLAC).
- 2.2 The draft Code and associated regulations were laid before Parliament on 13 May 2021. The Code is laid in Parliament for a 40-day period during which both the House of Commons and the House of Lords have the opportunity to review the Code and any Member can pass a motion to not approve it. This

40-day period is expected to expire on 1 July, and provided there is no such motion, the new Code will come into force on 1 September 2021.

- 2.3 This new provision will necessitate variations to determined admission arrangements to take effect from 1 September 2021. Admission authorities need to vary their admission arrangements for both the 2021/22 and 2022/23 academic years as without these variations, admission arrangements that have already been determined will no longer comply with the Code from this date.
- 2.4 Variations will be conditional on the Code passing through its Parliamentary process (i.e. a date on or around 1 July 2021). If any variations are agreed before then, they must be expressed to be conditional on the Code passing through Parliament. All such variations should come into effect on 1 September 2021.
- 2.5 As these variations will be necessary to comply with a mandatory requirement of the Code, it will not be necessary to refer a variation request to the schools adjudicator as is normally the case when a local authority proposes any variations to the determined admissions arrangements for a maintained school.

3. Recommendations

- 3.1 That Cabinet approve the amended paragraphs 2.1, 3.1 and 4.1 of the Local Authority's determined admissions arrangements for community and voluntary controlled schools for the academic years 2021/22 and 2022/23 as previously determined by Cabinet on 12 February 2020 and 10 February 2021.

These amended paragraphs are set out in the box below for ease of reference are also included in attached appendices:

Appendix A – Determined Admissions Arrangements for Community and Voluntary Controlled Schools for the Academic Year 2021/22– updated June 2021

Appendix B – Determined Admissions Arrangements for Community and Voluntary Controlled Schools for the Academic Year 2022/23 – updated June 2021

2.1. Looked after children and all previously looked after children, including those children who appear (to the admission authority) to have been in state care outside of England and ceased to be in state care as a result of being adopted. (see 3.1 below).

3.1. Children in Public Care (looked after children) and previously looked after children including those who (appear to the Admission Authority) to have been in state care outside of England and have ceased to be in state care as a result of being

adopted.

Children who are in the care of a local authority or provided with accommodation by a local authority and previously looked after children who ceased to be looked after because they were adopted or became subject to child arrangement orders immediately following having been looked after **as well as** those children who appear (to the admission authority) to have been in state care outside of England and ceased to be in state care as a result of being adopted.

4.1. Priority for nursery places will be given to children born between 1 September 2018 and 31 August 2019. If places are oversubscribed, the following Oversubscription Criteria will apply:

1. Looked after children and all previously looked after children, including those children who appear (to the admission authority) to have been in state care outside of England and ceased to be in state care as a result of being adopted.(see 3.1 below).

- 3.2 That Cabinet give conditional approval for these variations to take effect from 1 September 2021. In the event that the draft Code does not come into force from 1 September 2021 then the existing determined arrangements for the 2021/22 and 2022/23 academic years as previously determined by Cabinet on 12 February 2020 and 10th February 2021 will stand.
- 3.3. That Walsall Council informs all relevant stakeholders of these variations to its determined admission arrangements for the 2021/22 and 2022/23 academic year in accordance with the provisions of the School Admissions Code 2021

4. Report detail – know

Context

- 4.1. As the Local Authority, Walsall Council is the Admission Authority for all community and voluntary controlled primary schools in Walsall. As Admission Authority Walsall Council is obliged to make the requisite variations to the determined arrangements for all community and voluntary controlled primary schools in Walsall, to ensure compliance with the provisions of new School Admissions Code (2021) as published in May 2021.

Council Corporate Plan priorities

- 4.2. The admission arrangements for primary community and voluntary controlled schools for the 2021/22 and 2022/23 academic years set out a fair and equitable process for children wishing to enter Walsall schools in September 2022 and throughout the academic year as midyear admissions. These arrangements support the Council's Corporate Plan Priorities, specifically the

priority that all children, especially those children who are looked after or have previously been in public care can have the best start and are safe, happy, healthy and learning well.

Risk management

- 4.3 If these proposed variations are not approved then Walsall's Councils admission arrangements for the 2020/21 and 2022/23 academic year will not be compliant with the provisions of the School Admissions Code 2021.

Financial implications

- 4.4 None

Legal implications

- 4.5. Walsall Council, as the Admission Authority, has a statutory duty to determine the proposed admission arrangements for community and voluntary controlled schools. If these proposed variations are not approved then Walsall's Councils admission arrangements for the 2020/21 and 2022/23 academic year will not be compliant with the new School Admissions Code (2021).
- 4.6 The draft Code and associated regulations were laid before Parliament on 13 May 2021. The Code is laid in Parliament for a 40-day period during which both the House of Commons and the House of Lords have the opportunity to review the Code and any Member can pass a motion to not approve it. This 40-day period is expected to expire on 1 July, and provided there is no such motion, the new Code will come into force on 1 September 2021.
- 4.7 These variations will be conditional on the Code passing through its Parliamentary process (i.e. a date on or around 1 July 2021). If any variations are agreed before then, they must be expressed to be conditional on the Code passing through Parliament. All such variations should come into effect on 1 September 2021. If the code is not approved then it is proposed that the existing admissions arrangements for the 2020/21 and 2022/23 academic years as previously determined by Cabinet on 10 February 2020 and 12 February 2021 will stand.
- 4.8 These variations are required to ensure compliance with a mandatory requirement of the Code. Given this it is not necessary to refer this variation request to the schools adjudicator as would be normally the case when a local authority proposes any variations to the previously determined admissions arrangements for a maintained school.

Procurement Implications/Social Value

- 4.9 None

Property implications

4.10 None

Health and wellbeing implications

4.11. The Local Authority has a duty to ensure that all children resident within the borough have a school place, and this contributes to their health and wellbeing by ensuring that they have the best start in life in a Walsall school. These changes to the admissions arrangements will ensure that all children who are looked after or have previously been in public care whether in England or outside of England are given the highest admissions priority for entry into preferred schools.

Staffing implications

4.12 None

Reducing Inequalities

4.13 The Local Authority is required to make these changes to its determined admissions arrangements for the 2021/22 and 2022/23 academic year in order to ensure compliance with the School Admissions Code 2021. However, the challenges facing children and young people who have been in public care are well documented. The purpose of these changes is to ensure that all children who are looked after or who have been in public care are given highest admissions priorities for their preferred schools. This is to ensure that these children and young people are given the best possible opportunity to thrive and achieve the best possible educational outcomes.

Climate Change

4.14 There are no implications.

Consultation

4.15 Given that these variations are being proposed in order to ensure compliance with the new School Admissions Code (2021) and the associated statutory regulations then there is no requirement for the Local Authority to consult on these variations.

5. Decide

Cabinet is asked to agree these variations to the determined admission arrangements for community and voluntary controlled primary schools for the

2021/22 and 2022/23 academic years in accordance with the recommendations as set out above in section 3 of this report.

6. Respond

The revised determined admission arrangements will be published on the Walsall Council website once approved.

7. Review

The admissions arrangements for Walsall community and voluntary controlled primary schools, and the scheme for coordinated admissions are reviewed annually each summer term. The 2022/23 admission arrangements and coordinated scheme will be reviewed in summer term 2022.

Background papers

School Admissions Code (2021)

Author

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Sally Rowe
Executive Director

28 June 2021



Councillor Towe
Portfolio Holder

09 July 2021

Determined Admission Arrangements for Walsall Community and Voluntary Controlled Primary Schools for 2021/22

1. Admissions numbers for community and voluntary controlled primary schools for 2021/22

The following pages show the capacities and proposed Admission Numbers for community and voluntary controlled primary schools for 2021/22.

The Admission Number is the capacity of the school to admit children at the normal age of entry in the 2021/22 academic year, that is:

- Admissions into Reception in infant and primary schools;
- Admissions into Year 3 in junior schools.

Community or Voluntary Controlled Primary Schools	Indicated Admission Number (Based on existing net capacity assessment -NCA)	Proposed Admission Number
Abbey Primary	36	30
Alumwell Infant	90	90
Alumwell Junior	77	90
Barcroft Primary	60	60
Beacon Primary	61	60
Bentley West Primary	74	60
Blackwood	90	90
Blakenall Heath Junior	60	60
Brownhills West Primary	29	30
Butts Primary	30	30
Castlefort JMI	30	30
Christ Church CE (C) JMI	59	60
Chuckery Primary	60	60
County Bridge Primary	37	30
Delves Infant	90	90
Delves Junior	81	90
Elmore Green Primary	41	45
Greenfield Primary	50	45
Hillary Primary	95	90
Holy Trinity CE Primary	29	30
King Charles Primary	61	60
King's Hill Primary	92	60
Leamore Primary	41	30
Leighswood	75	60
Lindens Primary	60	60
Little Bloxwich CE (VC) Primary	30	30
Lower Farm Primary	53	60
Meadow View JMI	55	60
Millfield Primary	30	30
Moorcroft Wood Primary	37	30
New Invention Infant	90	90
New Invention Junior	84	90
Old Church CE (C) Primary	60	60

Palfrey Infant	90	90
Palfrey Junior	90	90
Pelsall Village	45	45
Pinfold Street Primary	58	60
Pool Hayes Primary	37	30
The Radleys Primary	30	30
Rosedale CE (C) Infant	90	90
Rushall JMI	30	30
Salisbury Primary	45	45
Short Heath Junior	90	90
St Giles CE Primary	60	60
St James Primary	30	30
St John's CE Primary	45	45
St Michael's CE (C) Primary	60	60
Sunshine Infant and Nursery	60	60
Walsall Wood	30	30
Watling Street JMI	30	30
Whetstone Field Primary	30	30
Whitehall Nursery and Infant	86	90
Whitehall Junior Community	90	90

2. Oversubscription criteria for community and voluntary controlled primary schools

If there are more applications than there are places available, places will be allocated using the Oversubscription Criteria in the following order of priority:

1. Looked after children and all previously looked after children, including those children who appear (to the admission authority) to have been in state care outside of England and ceased to be in state care as a result of being adopted.(see 3.1 below).
2. Pupils who have a sibling already in attendance at the school, or paired junior school when the application is made and who will be still attending the school at the proposed admission date (see 3.2 below);
3. Pupils for whom a place at the school is essential on medical or social grounds as supported in writing by a medical practitioner or a social worker. (Applications will be subject to verification by the Director of Children's Services) (see 3.3 below);
4. *For applications to junior schools only.* Attendance by the child at the relevant paired infant school, when the application is made (see 3.4 below);
5. *For applications to voluntary controlled Church of England primary schools only.* Up to 25% of places may be allocated as 'Church Places' to children, regardless of distance between home and school, whose parents are regular worshippers at a Christian church and whose application is supported in writing by the minister of the church where they worship (see 3.5 below);
6. Distance between the home address and the school as measured in a straight line with those living closer to the school receiving the higher priority (see 3.6 below).

If there is oversubscription in criteria 2 to 5, priority will be given to those living closest to the school as measured in a straight line.

3. Explanatory notes for Oversubscription Criteria

3.1. Children in Public Care (looked after children) and previously looked after children including those who (appear to the Admission Authority) to have been in state care outside of England and have ceased to be in state care as a result of being adopted.

Children who are in the care of a local authority or provided with accommodation by a local authority and previously looked after children who ceased to be looked after because they were adopted or became subject to child arrangement orders immediately following having been looked after as well as those children who appear (to the admission authority) to have been in state care outside of England and ceased to be in state care as a result of being adopted.

3.2 Sibling

A sibling is a child who resides at the same address as the child for whom a place is being requested and is one of the following:

- A brother or sister sharing the same parents;
- A half-brother or sister sharing one common parent;
- A step-brother or sister (i.e. related by their parent's marriage);
- Any other child for whom it can be demonstrated that he or she is residing permanently at the same address (e.g. under the terms of a residence order).

3.3 Social or medical factors

If parents believe there are specific medical or social reasons for claiming priority for a child to attend a particular school, the relevant part of the application must be completed and evidence to support the claim must be submitted to the Local Authority.

Requests for such consideration will be subject to verification by the Director of Children's Services. This is necessary because parents will be asking the Authority to assess the child as having a stronger case than many other children, some of whom may live closer to the school.

3.3a Medical Evidence

Medical evidence must be submitted in writing from a medical practitioner and should state why the preferred school is **the only school that can meet the child's needs**. This must relate to either the child or the parents, for example where the parent(s) or the child has a disability that may make travel to a school further away more difficult. Medical evidence, which relates to parent, will be considered in the following circumstances:

- Where the child lives with a single parent who has a medical condition or disability that may make travel to a school further away more difficult;
- Where the child lives with both parents and both parents have a medical condition or disability that may make travel to a school further away more difficult;
- Where a child lives with both parents and one parent has a medical condition or disability that may make travel to a school further away more difficult medical evidence may be considered if the other parent is unable to accompany the child on the journey to and from school because they are the sole carer for the other parent.

3.3b Social Evidence

Social evidence must be submitted in writing from an appropriate professional and should state why the preferred school is **the only school that can meet the child's needs**.

Please note that preferences are only given priority under the medical/social criterion in very exceptional cases where medical or social evidence clearly demonstrates that the preferred school is the only school which can meet the child's needs.

3.4 Paired infant and junior schools

The paired infant and junior schools are:

Alumwell Infant	paired with Alumwell Junior
Delves Infant	paired with Delves Junior
New Invention Infant	paired with New Invention Junior
Palfrey Infant	paired with Palfrey Junior
Rosedale CE (C) Infant	paired with Short Heath Junior
Sunshine Infant and Nursery	paired with Blakenall Heath Junior
Whitehall Nursery and Infant	paired with Whitehall Junior Community

3.5 Church Places at voluntary controlled Church of England primary schools

Voluntary controlled Church of England primary schools with an admission number of 30 will offer a maximum of 7 Church Places; schools with an admission number of 45 will offer a maximum of 11 Church Places; schools with an admission number of 60 will offer a maximum of 15 Church Places; schools with an admission number of 90 will offer a maximum of 22 Church Places.

If there is over-subscription for Church Places, priority will be given to those living closest to the school as measured in a straight line.

'Regular worshipper' is defined as attending a place of worship on at least one occasion per month over the past twelve months.

3.6 Distance

Distance will be measured in a straight line from the centre point of the home address to the centre point of the school address using the Local Authority's computerised measuring system with those living closer to the school receiving the higher priority.

3.6a Definition of a home address

The home address of a child is considered to be the permanent residence of a child in a residential property when the place is offered. The address must be the child's only or main residence and is either:

- owned by the child's parent(s) or guardian; or
- leased to or rented by the child's parent(s), or guardian under lease or written rental agreement of not less than six months duration.

Documentary evidence of ownership or rental agreement may be required together with proof of actual permanent residence at the property concerned. In certain circumstances the child's current school will be asked to verify the address given.

Where parents have shared responsibility for a child and the child lives with both parents for part of the week, the main residence will be determined as the address where the child lives for the majority of the week. Parents may be requested to supply documentary evidence to support the address used for the application.

The offer of a place is based upon the address of the child when the offer is made. If a child is offered a place at an oversubscribed school the place may be withdrawn if it is found that the child moved (before the place was offered) to a new address, which was further away from the school, and the child would not have qualified for a place under the distance criterion.

In the event that a family moves between the application and the date of offer, the School Admissions and Appeals Team must be informed as soon as possible of these circumstances.

If the home address is a flat (or apartment) and there is more than one flat at the same address, priority will be given to applicants living at the lowest numbered flat on the lowest floor.

4. Oversubscription criteria for Nursery Schools

Applications for nursery places should be made directly to the school.

If there are more applications than there are nursery places available then places will be allocated using the Oversubscription Criteria in the following order of priority:

- 4.1** Priority for nursery places will be given to children born between 1 September 2017 and 31 August 2018. If places are oversubscribed, the following Oversubscription Criteria will apply:
1. Looked after children and all previously looked after children, including those children who appear (to the admission authority) to have been in state care outside of England and ceased to be in state care as a result of being adopted.(see 3.1 above).
 2. Pupils who have a sibling already in attendance at the school, or paired junior school when the application is made and who will be still attending the school at the proposed admission date. (see 3.2 above)
 3. Pupils for whom a place at the school is essential on medical or social grounds and supported in writing by a medical practitioner or a Social Worker. (Applications will be subject to verification by the Interim Director of Children’s Services). (see 3.3 above)
 4. Distance between the home address and the school as measured in a straight line with those living closer to the school receiving the higher priority. (see 3.6 above)
- 4.2** Where places are still available schools may only offer places to children who have attained the age of 3. If the remaining places are oversubscribed the Oversubscription Criteria 1-4, shown above, will apply.

If there is oversubscription in criteria 2 and 3, priority will be given to those living closest to the school as measured in a straight line.

5. Policy for deferred entry to Reception

Children reach compulsory school age on the first day of the term following their fifth birthday. However, all Walsall primary schools provide full time places for pupils in a reception class from September in the year before children reach their fifth birthday.

If parents prefer their child to start school later than 1 September 2021, they have the option of deferring the child’s entry until later in the 2021/22 school year. Parents opting for this must notify the school in writing of the date they wish their child to start in a reception class.

Parents are not able to defer entry beyond the beginning of the term following their child’s fifth birthday or beyond the academic year for which admission is sought.

The effect of this is that the place is held for that child and is not available to be offered to another child.

6. Admission of 'summer born' children to Reception

Summer born children, (born between 1 April and 31 August) reach compulsory school age in the September following their fifth birthday (or on their fifth birthday if it falls on 31 August). Parents of summer born children may submit a request for their child to be admitted to a reception class in the September following their fifth birthday, at the point at which other children in their age group are moving from the reception class to year 1.

Parents seeking deferred admissions to reception in a community or voluntary controlled primary school should make a request in writing to Walsall Council, providing details of the reason for the request and supporting medical evidence or evidence from the child's current head teacher, if appropriate, demonstrating that deferred admission to Reception would be in the child's best interests.

Requests for deferred admission to Reception in respect of children who would normally be admitted in September 2021, should be submitted by 15 January 2021 where possible.

When an application for deferred admission to reception at the point at which other children in their age group are moving into Year 1 is received for a community or voluntary controlled primary school, Walsall Council, as admission authority for the school, will make the decision on whether or not to grant the request based on the individual circumstances of each case. Requests will only be approved in circumstances where it is in the best interests of the child to defer admission to Reception.

Parents seeking deferred admission to Reception in a voluntary aided school, foundation school or in an academy should submit a request directly to their preferred school. They must also notify the Local Authority in writing of the request and must complete a Local Authority application for the year of admission.

Admission to a year group outside of a child's chronological year group.

Parents who wish to apply for their child to be admitted to a Walsall community or voluntary controlled primary school, in a year group other than that which is designated by their chronological age should submit a written request to the Local Authority. Walsall Council, as admission authority for the school, will make the decision on whether or not to grant the request based on the individual circumstances of each case. Requests will only be approved in circumstances where it is in the best interests of the child to be educated outside of their chronological year group.

Parents wishing to make an application for their child to be admitted out of their chronological year group to a voluntary aided or foundation school or academy, should write to the admission authority for the school. In either case, the letter should include details of why the parents/carers believe it is in the best interests of their child to be educated out of their chronological year group, and should include supporting evidence from an appropriate professional.

Parents applying for midyear admission to a year group outside their child's chronological age, in a Walsall primary school will also need to submit an online midyear admission application to the Local Authority.

Proposed Admission Arrangements for Walsall Community and Voluntary Controlled Primary Schools for 2022/23

1. Admissions numbers for community and voluntary controlled primary schools for 2022/23

The following pages show the capacities and proposed Admission Numbers for community and voluntary controlled primary schools for 2022/23.

The Admission Number is the capacity of the school to admit children at the normal age of entry in the 2022/23 academic year, that is:

- Admissions into Reception in infant and primary schools;
- Admissions into Year 3 in junior schools.

Community or Voluntary Controlled Primary Schools	Proposed Admission Number
Abbey Primary	30
Alumwell Infant	90
Alumwell Junior	90
Barcroft Primary	60
Beacon Primary	60
Bentley West Primary	60
Blackwood*	90
Blakenall Heath Junior	60
Brownhills West Primary	30
Butts Primary	30
Castlefort JMI	30
Christ Church CE (C) JMI	60
Chuckery Primary	60
County Bridge Primary	30
Delves Infant	90
Delves Junior	90
Elmore Green Primary	45
Greenfield Primary	45
Hillary Primary	90
Holy Trinity CE Primary	30
King Charles Primary	60
King's Hill Primary	60

Leamore Primary	30
Leighswood	60
Lindens Primary	60
Little Bloxwich CE (VC) Primary	30
Lower Farm Primary	60
Meadow View JMI	60
Millfield Primary	30
Moorcroft Wood Primary	30
New Invention Infant	90
New Invention Junior	90
Old Church CE (C) Primary	60
Palfrey Infant	90
Palfrey Junior	90
Pelsall Village	45
Pinfold Street Primary	60
Pool Hayes Primary	30
The Radleys Primary	30
Rosedale CE (C) Infant	90
Rushall JMI	30
Salisbury Primary	45
Short Heath Junior	90
St Giles CE Primary	60
St James Primary	30
St John's CE Primary	45
St Michael's CE (C) Primary	60
Sunshine Infant and Nursery	60
Walsall Wood	30
Watling Street JMI	30
Whetstone Field Primary	30
Whitehall Nursery and Infant	90
Whitehall Junior Community	90

*Blackwood Primary School are currently in the process of converting to academy status.

2. Oversubscription criteria for community and voluntary controlled primary schools

If there are more applications than there are places available, places will be allocated using the Oversubscription Criteria in the following order of priority:

1. Looked after children and all previously looked after children, including those children who appear (to the admission authority) to have been in state care outside of England and ceased to be in state care as a result of being adopted.(see 3.1 below).
2. Pupils who have a sibling already in attendance at the school, or paired junior school when the application is made and who will be still attending the school at the proposed admission date (see 3.2 below);

3. Pupils for whom a place at the school is essential on medical or social grounds as supported in writing by a medical practitioner or a social worker. (Applications will be subject to verification by the School Admissions and Appeals Team) (see 3.3 below);
4. *For applications to junior schools only.* Attendance by the child at the relevant paired infant school, when the application is made (see 3.4 below);
5. *For applications to voluntary controlled Church of England primary schools only.* Up to 25% of places may be allocated as 'Church Places' to children, regardless of distance between home and school, whose parents are regular worshippers at a Christian church and whose application is supported in writing by the minister of the church where they worship (see 3.5 below);
6. Distance between the home address and the school as measured in a straight line with those living closer to the school receiving the higher priority (see 3.6 below).

If there is oversubscription in criteria 2 to 5, priority will be given to those living closest to the school as measured in a straight line.

3. Explanatory notes for Oversubscription Criteria

3.1 Children in Public Care (looked after children) and previously looked after children including those who (appear to the Admission Authority) to have been in state care outside of England and have ceased to be in state care as a result of being adopted.

Children who are in the care of a local authority or provided with accommodation by a local authority and previously looked after children who ceased to be looked after because they were adopted or became subject to child arrangement orders immediately following having been looked after **as well as** those children who appear (to the admission authority) to have been in state care outside of England and ceased to be in state care as a result of being adopted.

3.2 Sibling

A sibling is a child who resides at the same address as the child for whom a place is being requested and is one of the following:

- A brother or sister sharing the same parents;
- A half-brother or sister sharing one common parent;
- A step-brother or sister (i.e. related by their parent's marriage);
- Any other child for whom it can be demonstrated that he or she is residing permanently at the same address (e.g. under the terms of a residence order).

3.3 Social or medical factors

If parents believe there are specific medical or social reasons for claiming priority for a child to attend a particular school, the relevant part of the application must be

completed and evidence to support the claim must be submitted to the Local Authority.

Requests for such consideration will be subject to verification by the School Admissions and Appeals Team. This is necessary because parents will be asking the Authority to assess the child as having a stronger case than many other children, some of whom may live closer to the school.

3.3a Medical Evidence

Medical evidence must be submitted in writing from a medical practitioner and should state why the preferred school is **the only school that can meet the child's needs**. This must relate to either the child or the parents, for example where the parent(s) or the child has a disability that may make travel to a school further away more difficult. Medical evidence, which relates to parent, will be considered in the following circumstances:

- Where the child lives with a single parent who has a medical condition or disability that may make travel to a school further away more difficult;
- Where the child lives with both parents and both parents have a medical condition or disability that may make travel to a school further away more difficult;
- Where a child lives with both parents and one parent has a medical condition or disability that may make travel to a school further away more difficult medical evidence may be considered if the other parent is unable to accompany the child on the journey to and from school because they are the sole carer for the other parent.

3.3b Social Evidence

Social evidence must be submitted in writing from an appropriate professional and should state why the preferred school is **the only school that can meet the child's needs**.

Please note that preferences are only given priority under the medical/social criterion in very exceptional cases where medical or social evidence clearly demonstrates that the preferred school is the only school which can meet the child's needs.

3.4 Paired infant and junior schools

The paired infant and junior schools are:

Alumwell Infant	paired with Alumwell Junior
Delves Infant	paired with Delves Junior
New Invention Infant	paired with New Invention Junior
Palfrey Infant	paired with Palfrey Junior

Rosedale CE (C) Infant	paired with Short Heath Junior
Sunshine Infant and Nursery	paired with Blakenall Heath Junior
Whitehall Nursery and Infant	paired with Whitehall Junior Community

3.5 Church Places at voluntary controlled Church of England primary schools

Voluntary controlled Church of England primary schools with an admission number of 30 will offer a maximum of 7 Church Places; schools with an admission number of 45 will offer a maximum of 11 Church Places; schools with an admission number of 60 will offer a maximum of 15 Church Places; schools with an admission number of 90 will offer a maximum of 22 Church Places.

If there is over-subscription for Church Places, priority will be given to those living closest to the school as measured in a straight line.

'Regular worshipper' is defined as attending a place of worship on at least one occasion per month over the past twelve months.

3.6 Distance

Distance will be measured in a straight line from the centre point of the home address to the centre point of the school address using the Local Authority's computerised measuring system with those living closer to the school receiving the higher priority.

3.6a Definition of a home address

The home address of a child is considered to be the permanent residence of a child in a residential property when the place is offered. The address must be the child's only or main residence and is either:

- owned by the child's parent(s) or guardian; or
- leased to or rented by the child's parent(s), or guardian under lease or written rental agreement of not less than six months duration.

Documentary evidence of ownership or rental agreement may be required together with proof of actual permanent residence at the property concerned. In certain circumstances the child's current school will be asked to verify the address given.

Where parents have shared responsibility for a child and the child lives with both parents for part of the week, the main residence will be determined as the address where the child lives for the majority of the week. Parents may be requested to supply documentary evidence to support the address used for the application.

The offer of a place is based upon the address of the child when the offer is made. If a child is offered a place at an oversubscribed school the place may be withdrawn if it is found that the child moved (before the place was offered) to a new address, which was further away from the school, and the child would not have qualified for a place under the distance criterion.

In the event that a family moves between the application and the date of offer, the School Admissions and Appeals Team must be informed as soon as possible of these circumstances.

If the home address is a flat (or apartment) and there is more than one flat at the same address, priority will be given to applicants living at the lowest numbered flat on the lowest floor.

4. Oversubscription criteria for Nursery Schools

Applications for nursery places should be made directly to the school.

If there are more applications than there are nursery places available then places will be allocated using the Oversubscription Criteria in the following order of priority:

4.1. Priority for nursery places will be given to children born between 1 September 2018 and 31 August 2019. If places are oversubscribed, the following Oversubscription Criteria will apply:

1. Looked after children and all previously looked after children, including those children who appear (to the admission authority) to have been in state care outside of England and ceased to be in state care as a result of being adopted.(see 3.1 below).

2. Pupils who have a sibling already in attendance at the school, or paired junior school when the application is made and who will be still attending the school at the proposed admission date. (see 3.2 above)

3. Pupils for whom a place at the school is essential on medical or social grounds and supported in writing by a medical practitioner or a Social Worker. (Applications will be subject to verification by the School Admissions and Appeals Team). (see 3.3 above)

4. Distance between the home address and the school as measured in a straight line with those living closer to the school receiving the higher priority. (see 3.6 above)

4.2 Where places are still available schools may only offer places to children who have attained the age of 3. If the remaining places are oversubscribed the Oversubscription Criteria 1-4, shown above, will apply.

If there is oversubscription in criteria 2 and 3, priority will be given to those living closest to the school as measured in a straight line.

5. Policy for deferred entry to Reception

Children reach compulsory school age on the first day of the term following their fifth birthday. However, all Walsall primary schools provide full time places for pupils in a reception class from September in the year before children reach their fifth birthday.

If parents prefer their child to start school later than 1 September 2022, they have the option of deferring the child's entry until later in the 2022/23 school year.

Parents opting for this must notify the school in writing of the date they wish their child to start in a reception class.

Parents are not able to defer entry beyond the beginning of the term following their child's fifth birthday or beyond the academic year for which admission is sought.

The effect of this is that the place is held for that child and is not available to be offered to another child.

6. Admission of 'summer born' children to Reception

Summer born children, (born between 1 April and 31 August) reach compulsory school age in the September following their fifth birthday (or on their fifth birthday if it falls on 31 August). Parents of summer born children may submit a request for their child to be admitted to a reception class in the September following their fifth birthday, at the point at which other children in their age group are moving from the reception class to year 1.

Parents seeking deferred admissions to reception in a community or voluntary controlled primary school should make a request in writing to Walsall Council, providing details of the reason for the request and supporting medical evidence or evidence from the child's current head teacher, if appropriate, demonstrating that deferred admission to Reception would be in the child's best interests.

Requests for deferred admission to Reception in respect of children who would normally be admitted in September 2022, should be submitted by 15 January 2022 where possible.

When an application for deferred admission to reception at the point at which other children in their age group are moving into Year 1 is received for a community or voluntary controlled primary school, Walsall Council, as admission authority for the school, will make the decision on whether or not to grant the request based on the individual circumstances of each case. Requests will only be approved in circumstances where it is in the best interests of the child to defer admission to Reception.

Parents seeking deferred admission to Reception in a voluntary aided school, foundation school or in an academy should submit a request directly to their preferred school. They must also notify the Local Authority in writing of the request and must complete a Local Authority application for the year of admission.

Admission to a year group outside of a child's chronological year group.

Parents who wish to apply for their child to be admitted to a Walsall community or voluntary controlled primary school, in a year group other than that which is designated by their chronological age should submit a written request to the Local Authority. Walsall Council, as admission authority for the school, will make the decision on whether or not to grant the request based on the individual circumstances of each case. Requests will only be approved in circumstances where it is in the best interests of the child to be educated outside of their chronological year group.

Parents wishing to make an application for their child to be admitted out of their chronological year group to a voluntary aided or foundation school or academy, should write to the admission authority for the school. In either case, the letter should include details of why the parents/carers believe it is in the best interests of their child to be educated out of their chronological year group, and should include supporting evidence from an appropriate professional.

Parents applying for midyear admission to a year group outside their child's chronological age, in a Walsall primary school will also need to submit an online midyear admission application to the Local Authority.

