

## Cabinet – 17 July 2024

### Pre-Audit Outturn 2023/24

<b>Portfolio:</b>	Councillor M Statham – Deputy Leader - Finance (Lead Portfolio)
<b>Related Portfolio:</b>	All
<b>Service:</b>	Finance – council wide
<b>Wards:</b>	All
<b>Key decision:</b>	Yes
<b>Forward plan:</b>	Yes

#### 1. Aim

- 1.1 To inform Cabinet of the pre-audit revenue and capital outturn position for 2023/24, and financial health indicators for 2023/24.

#### 2. Summary

##### 2.1 *Pre-audit outturn 2023/24*

This report details the overall net revenue pre-audit outturn for 2023/24 which included significant demand and cost pressures, particularly within Adult Social Care and Children's Services. The pre-audit outturn for 2023/24 is £143.30m against a budget of £144.16m resulting in an underspend variance of £856k (0.06% of gross expenditure). This is after applying £4.13m of service mitigating actions and central mitigating actions of £19.95m. This is a positive movement of £794k since last reported to Cabinet on 7 February 2024. The pre-audit capital outturn is a net break-even position, net of carry forwards of £53.54m.

#### 3. Recommendations

That Cabinet:

- 3.1 Note the pre-audit revenue outturn underspend of £856k, equivalent to 0.06% of gross revenue expenditure after service mitigating actions of £4.13m and central mitigating action of £19.95m. Without mitigating actions being identified the outturn would have been an overspend of £23.22m.
- 3.2 Note the service's position (table 1 and Appendix 1), delivery of savings approved for 2023/24 including the amendments as detailed in section 4.8 to 4.10 and the

carry forward of undelivered 2023/24 savings (Appendix 4) to 2024/25 and that 2024/25 savings delivery will be kept under review and progress reported to Cabinet in July.

- 3.3 Note the transfers from and to earmarked reserves as set out in table 2 and Appendix 2.
- 3.4 Note that the opening general reserves balance will be £19.56m as at 1 April 2024.
- 3.5 Note the pre-audit capital outturn is a net break-even position, net of carry forwards of £53.54m (Table 5 and Appendix 5 and 6).
- 3.6 Note and agree the final amendments to the 2023/24 capital programme (since the last update to Cabinet in February 2024), as set out in table 4 in section 4.11 and approve the capital re-profiling from 2023/24 to 2024/25 as set out in Appendix 5 and 6.
- 3.7 Note the financial health indicators for 2023/24 as summarised in Appendix 9.
- 3.8 Note the prudential indicators as set out in section 4.22 to 4.24 and Appendix 10.
- 3.9 Note the performance and demand data at Appendix 7 and 8 in relation to Adult and Children's Social Care Services.

#### **4. Know - Context**

- 4.1 Cabinet received regular financial reports to allow it to monitor the financial position of the council and consider plans for corrective action during 2023/24. Maintaining financial stability is a key requirement of the Medium-Term Financial Framework (MTFF). This report contains the pre-audit revenue and capital outturns for 2023/24.

#### ***Pre-Audit Revenue Outturn 2023/24***

- 4.2 Managers are required to deliver their service targets and improvements within budget. Small variations are normal and not material on a gross revenue budget of £721.68m. The council wide pre-audit net revenue outturn is an underspend of £856k, equivalent to 0.06% of gross revenue expenditure, which is summarised by directorate in table 1 below. Further detail at service level is shown in Appendix 1.



**Table 1: Forecast revenue analysis 2023/24 by Directorate – March 2024**

Directorate	Net Budget	Year-end forecast prior to transfer to / (from) earmarked reserves	Year-end variance to budget prior to transfer / (From) earmarked reserves	Use of earmarked reserves	Transfer to earmarked reserves	Year-end forecast prior to mitigating actions	Mitigating Actions	Year-end forecast including all mitigating actions	Movement since reported to Cabinet 07.02.2024
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Adult Social Care and Public Health	76.86	97.37	20.51	(7.86)	2.83	15.48	(2.08)	13.40	0.62
Children's Services									
- Children's and Education	81.70	98.34	16.63	(11.39)	0.93	6.18	(0.42)	5.76	1.16
- Customer Engagement	12.15	13.62	1.47	(1.83)	0.91	0.55	0.00	0.55	(0.64)
Economy, Environment & Communities	45.61	50.55	4.93	(4.94)	0.70	0.69	(1.63)	(0.94)	(1.15)
Resources & Transformation	50.93	52.57	1.65	(5.75)	3.67	(0.44)	0.00	(0.44)	(0.33)
Capital Financing	(15.21)	(23.99)	(8.79)	(0.80)	7.51	(2.08)	0.00	(2.08)	0.00
	<b>252.05</b>	<b>288.45</b>	<b>36.41</b>	<b>-32.58</b>	<b>16.55</b>	<b>20.37</b>	<b>(4.13)</b>	<b>16.24</b>	<b>(0.35)</b>
Central budgets	(107.89)	(100.27)	7.61	(16.67)	11.91	2.85	(19.95)	(17.10)	(0.45)
<b>Total council tax requirement</b>	<b>144.16</b>	<b>188.18</b>	<b>44.02</b>	<b>(49.25)</b>	<b>28.45</b>	<b>23.22</b>	<b>(24.08)</b>	<b>(0.86)</b>	<b>(0.80)</b>

4.3 The previous revenue position reported to Cabinet on 8 February 2024 forecast a small underspend of £62k (as at the December 2023 reporting position). The final position is therefore an improvement on this figure overall. The main service pressures have been widely reported throughout the year with the main variations since December 2023 position reported to Cabinet in February 2024 being:

- Adult Social Care increase of £620k – £340k net increase in existing service user costs, £480k reduced service user contributions, £200k increase in staff/agency costs part offset from a reduction in inflow/attrition (£160k), release of Omicron funding (£130k) and (£100k) decrease in contract costs.
- Childrens' Services increase of £1.16m – reduction in children in care demand (£430k), use of grants to fund staffing costs (£400k), increased demand and increase costs within home to school transport £1.53m, increase in legal fees £100k, increase in recruitment and retention unachieved benefit £140k and changes to the use of dedicated schools grant following a national review resulting in a pressure of £330k.
- Economy, Environment and Communities – net reduction of £1.15m, mainly from additional income from the waste to recycling contract (£995k), planning services (£149k) and active living centres (£256k) part offset by additional under recovery of cremation income £380k.
- Resources and Transformation (£329k) – net reduction in staffing / agency across the directorate (£528k), additional rental income (£163k) and additional funding within finance (£135k) partly offset by additional maintenance costs £249k, reduction in grant income £178k and inflationary increases in food costs for school meals.
- Central (non-service specific) budgets – increase in underspend of £450k mainly due to a business rates retention levy refund from DHLUC.

#### Earmarked Reserves

4.4 The year-end forecast includes the use of earmarked reserves of £42.43m and transfers to earmarked reserves of £28.45m. These are shown at Appendix 2. There is also a movement to useable reserves relating to Dedicated schools grant (DSG) of (£6.87m).

Earmarked reserves are created for specific purposes. These are all planned to be used, although the period over which they are to be used and the profiling of that use may vary within the MTFO period. This results in projected closing earmarked reserves of £174.77m as shown in Table 2.

Of the £42.43m use of reserves £15.53m were used as mitigating actions in year to manage demand and cost of living pressures and delays to savings, £7.15m were grants received in advance, £4.16m for Proud projects and £2.54m to cover children's demand pressures. The full breakdown is shown in Table 2 below and by reserve in Appendix 2.

Of the £28.45m of transfers to reserves £3.10m relates to anticipated cost pressures (cost of living and social care demand), £6.56m for council liabilities (mediation and business rates retention) and £4.87m are grants received in advance. The full breakdown is shown in Table 2 below and by reserve in Appendix 2.

There has also been transfers between earmarked reserves to re-prioritise where funding is expected to be needed such as in relation to cost of living and risk.

The opening balance for useable reserves for 2024/25 is £174.77m (excluding DSG) of which the budget for 2024/25 included the use of £13.49m.

Grant / contributions received in advance are held in reserve as spend spans more than 1 financial year. These are planned to be used over 2024/25 but will also be replenished with new grant allocations in March 2025 for use in 2025/26.

<b>Table 2: Earmarked Reserves</b>					
	<b>Opening Balance 01/04/23</b>	<b>Transfers from Reserves</b>	<b>Transfer to Reserves</b>	<b>Movement between Reserves</b>	<b>Closing Balance 31/03/24</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Treasury Reserves	23.63	(0.79)	7.46	4.14	34.44
Grant / Contributions received in advance	22.16	(7.21)	4.87	(2.54)	17.27
Improvement projects	33.52	(7.44)	3.89	(5.40)	24.57
Cost Pressures	21.66	(11.11)	3.10	6.45	20.11
Council Liabilities	51.18	(6.15)	6.76	(6.56)	45.24
Covid-19 grants	0.83	(0.14)	0.00	0.00	0.68
Public Finance Initiatives	18.01	(1.99)	0.00	0.00	16.02
Risk	10.65	(6.89)	2.33	3.91	10.00
Other	7.11	(0.72)	0.05	0.00	6.43
<b>Sub Total</b>	<b>188.75</b>	<b>(42.43)</b>	<b>28.45</b>	<b>0.00</b>	<b>174.77</b>
DSG deficit*	(0.53)	0.00	(6.87)	0.00	(7.40)
<b>Total</b>	<b>188.22</b>	<b>(42.43)</b>	<b>21.58</b>	<b>0.00</b>	<b>167.37</b>

\* Transferred to unusable reserves in line with accounting legislation

Reserves are categorised for the purposes of reporting as follows:

- **Treasury reserves.** These reserves are to minimise the impact of interest rate changes and finance early redemption of loans to reduce the council's future interest exposure;
- **Grants / contributions received in advance.** This is where the council has received money in advance of the next accounting period or covers more than one accounting period. These amounts will be spent in line with the grant conditions;
- **Improvement projects.** These reserves are to finance service modernisation; specific projects such as pilot street cleansing initiatives, Cloud services, Oracle development, economic growth programme; and costs in relation to the council's transformation programme;
- **Cost pressures.** To include review of working practices including blended working, fluctuations in service demand such as in adult social care, crisis support and children in care;
- **Council liabilities.** These reserves cover expenditure where the council has a legal obligation to pay costs, such as equal pay claims and redundancies. In addition to these there are reserves for business rate appeals, pensions and insurance claims;

- **Covid-19 grants.** The carry forward of specific government grants to cover Covid pressures, including expanded retail relief for businesses;
- **Public Finance Initiatives.** Liabilities for our PFI's with Street Lighting and St Thomas More;
- **Risk.** To cover unforeseen risks in 2023/24 at the time the budget was set;
- **Other.** These reserves are to support a wide range of future costs such as partnership working with other external bodies.

### **General Reserves**

- 4.5 Opening unallocated general reserves for 2023/24 were £18.70m. The medium-term financial framework (MTFF) requires that a prudent level of reserves is maintained. This was set at no less than £16.12m for 2023/24. The MTFF also sets a minimum level of reserves beyond which any use must be reported to Council. This is currently set at £7.20m. The closing balance of general reserves for 2023/24 is £19.56m. This is £1.17m above that required as the opening balance for 2024/25 of £18.39m as detailed in the budget report approved by Council in February 2024. This £1.17m will be earmarked in 2024/25 to fund any one-off emerging pressures.

### **Collection Fund**

- 4.6 *Business Rates Retention Scheme* - 2023/24 was the seventh and final year the council participated in the 100% Business Rates Retention pilot with the six other West Midlands Metropolitan Authorities, with each billing authority retaining 99% of Non-Domestic Rates (NDR) received with the remaining 1% for the West Midlands Fire Service.

*Trailblazer 100% Business Rates Retention agreement* - going forward, in replacement for the Business Rates Retention scheme, Walsall Council will be part of the West Midlands Combined Authority Trailblazer deeper devolution deal. Upon the arrangement coming into effect on 1 April 2024, the council will continue to retain 99% of non-domestic rating income. This agreement comes into effect from 1 April 2024 and will be in place for the financial years 2024/25 to 2033/34 inclusive.

An increase in income due to the introduction of the 2023 rateable value list, a reduction in successful appeals, exemptions and discounts resulted in an in-year surplus which has reduced the deficit carried forward on the collection fund. The council bears 99% of the overall deficit, which will reduce the councils local share income for 2024/25.

The outturn position for 2023/24 on the collection fund is an in-year surplus of £3.41m. The final outturn includes a brought forward deficit of £6.03m (of which £5.86m was attributable to Walsall Council) from 2022/23, resulting in a net deficit being carried forward into 2024/25 of £2.62m (£2.51m attributable to Walsall).

- 4.7 *Council Tax* – The collection fund showed a total deficit in 2023/24 of £345k for council tax including preceptor's (Fire and Police) amounts. After taking into account a brought forward surplus totalling £543k and transfers out to the general fund and preceptors during 2023/24 totalling £1.38m, there is a closing deficit for 2023/24 of £1.18m (of which £1.04m is attributable to Walsall).

## Walsall Proud Savings

- 4.8 The 2023/24 budget was predicated on delivery of £15.71m of benefits realisation (savings) using Proud ways of working across the council, significantly enhancing our enabling technology capabilities, and improving our service efficiency and performance. A robust risk assessment of the 2023/24 budget was undertaken prior to the budget being set in February 2023. Action was taken corporately in-year to address ongoing demand and cost pressures within services, mainly within Children’s Services and Adult Social Care. There was a further £7.55m of benefits approved to be carried forward for delivery from 2022/23, giving a total benefit figure of £23.26m which was due to be achieved in 2023/24.

As shown in table 3, of the £23.26m benefits identified for delivery, £13.32m were fully delivered in year and £9.94m were delayed/undelivered. Of this, £3.05m was mitigated in year through alternate actions or service underspends with the remaining £6.89m funded from corporate risk reserve.

<b>Table 3: Delivery of Savings by Directorate 2023/24</b>			
<b>Directorate</b>	<b>Delivered £m</b>	<b>Undelivered £m</b>	<b>Total £m</b>
Adult Social Care, Public Health & Hub	4.27	2.83	<b>7.10</b>
Children’s, Education & Customer Engagement			
- Children’s and Education	3.31	1.11	<b>4.42</b>
- Customer Engagement	0.73	1.54	<b>2.27</b>
Economy, Environment & Communities	2.11	1.51	<b>3.62</b>
Resources & Transformation	2.00	0.02	<b>2.02</b>
Central	0.90	2.93	<b>3.83</b>
<b>Total</b>	<b>13.32</b>	<b>9.94</b>	<b>23.26</b>

- 4.9 Resources & Transformation directorate have reviewed their savings and propose to achieve two undelivered HR savings (as detailed below) in an alternative way. A redesign of employment services has created an additional budget saving not previously accounted for. The amendment would mean £43k is fully achieved on an on-going basis, as included in the delivery position in Table 3 above. This is an operational change and does not require any consultation or further equality impact assessment. Cabinet are asked to note this change.

Children’s Services propose to achieve an element of the sibling groups saving of £124k by amalgamating it with the existing placement disruption saving which has overachieved. The remaining £76k undelivered saving will be carried forward for delivery in 2024/25, where the service propose to amalgamate it with a new 2024/25 saving as detailed below. This is an operational change and does not require any consultation or further equality impact assessment. Cabinet are asked to note this change.

**Table 3a: 2023/24 Revised Savings**



Directorate	Saving Reference	Saving Description	Current Saving Value	Amendment	Revised Saving Value
R&T	OP34	Platinum Secure Storage	£13,000	(£13,000)	-
R&T	OP36	Promotion of One Source system to Schools for sickness absence data entry	£30,000	(£30,000)	-
R&T	NEW	Redesign of employment services	-	£43,000	£43,000
Children's	OP47	Sibling Groups of 4+	£200,000	(£123,898)	£76,102
Directorate	Saving Reference	Saving Description	Current Saving Value	Amendment	Revised Saving Value
Children's	NEW	Reduce placement disruption and identify opportunities to step down placements	£1,204,754	£123,898	£1,328,652
	<b>TOTAL</b>		<b>£1,447,754</b>	<b>-</b>	<b>£1,447,754</b>
2024/25					
	Saving Reference	Saving Description	Current Saving Value	Amendment	Revised Saving Value
Children's	OP47	Sibling Groups of 4+	£76,102	(£76,102)	-
Children's	OP64	Continued focus on placement step downs	£514,984	£76,102	£591,086
	<b>TOTAL</b>		<b>£591,086</b>	<b>-</b>	<b>£591,086</b>

4.10 Of the £9.94m undelivered savings, £5.41m were deemed as undeliverable and removed as part of the budget report approved by Council in February 2024. The remaining £4.53m will be carried forward for delivery in 2024/25. One saving in Adult Social Care has been partly delivered following a one-off agreement (£639k), the full value of this saving will therefore be carried forward. Further details are provided in Appendix 4. Along with the 2024/25 approved gross budget savings of £20.10m, this gives a total value of savings to be monitored in 2024/25 of £25.27m.

#### **Pre-Audit Capital Outturn 2023/24**

4.11 A revised capital programme for 2023/24 was approved by Cabinet on 7 February 2024 of £136.76m. Table 4 summaries further amendments to the end of March 2024, resulting in a final programme of £144.29m, which Cabinet are asked to formally agree.

<b>Table 4: Amendments to Capital Programme 2023/24</b>	
<b>Project</b>	<b>£m</b>
<b>Capital programme 2023/24 per Cabinet 7 February 2024</b>	<b>136.76</b>
<b>Council Funded</b>	
Library book fund – contingency	0.15
Bosty lane underspend – contingency	(0.16)
Clearance of tipped material from Gasholders site – contingency	0.05
Darlaston pool – contingency	0.01
Library improvement funds – contingency	0.01

Release of contingency funding	(0.06)
Homelessness temporary accommodation – pipeline	0.75
Release of pipeline funding	(0.75)
Flexible use of capital receipts	(4.00)
Headstone safety in cemeteries – revenue contribution	0.01
Capitalisation of wheeled bin stock – funding b/f from 2024/25	0.04
Council House general heating – funding b/f from 2024/25	0.60
Car park resurfacing Church road – revenue contribution	0.06
Aids and adaptations – funding b/f from 2024/25	0.10
<b>Externally Funded</b>	
Active travel tranche 4 – new allocation	0.29
<b>Project</b>	<b>£m</b>
Coronation living heritage fund – new allocation	0.06
Childcare expansion – new allocation	0.43
Department for transport network north – new allocation	0.38
Trees for climate change – new allocation	0.05
UK shared prosperity fund – new allocation	0.53
Social housing decency fund – new allocation	0.13
Local authority housing fund 2 – new allocation	0.66
Willenhall levelling up fund– funding b/f from 2024/25	0.63
Wednesbury Road footbridge - adjustment	(0.01)
Urban tree challenge – funding b/f from 2024/25	0.02
Yorks bridge local transport plan – funding b/f from 2024/25	0.20
Home upgrade grant 2 - adjustment	0.10
Capital maintenance – funding b/f from 2024/25	1.28
Local authority delivery grant - adjustment	(0.93)
Black country blue network-European regional development fund -- adj	0.02
Civic/council house decarbonisation – funding b/f from 2024/25	1.95
Purchase of dispersed temporary accommodation – funding b/f from 24/25	0.40
Health through warmth - adjustment	0.01
Family hub – adjustment	(0.02)
Black Country Local Enterprise Partnership – funding b/f from 2024/25	2.46
Disabled facilities grant – funding b/f from 2024/25	0.13
RCCO for Childrens – revenue contribution	1.97
<b>Revised Capital Programme 2023/24</b>	<b>144.29</b>

4.12 The draft pre-audit capital outturn is a net break-even position, net of carry forwards of £53.54m. This is shown by scheme at Appendix 5 (council funded) and Appendix 6 (external funded), and summarised in table 5:

<b>Table 5 : Pre-audit Capital Outturn 2023/24</b>					
<b>Funding</b>	<b>Budget £m</b>	<b>Outturn £m</b>	<b>Variance £m</b>	<b>Re-Profiling / Carry Forward to 2024/25 £m</b>	<b>Underspend £m</b>
Council Funded	60.25	26.40	(33.85)	33.85	0.00
Externally Funded	84.04	64.35	(19.69)	19.69	0.00

<b>Total</b>	<b>144.29</b>	<b>90.75</b>	<b>(53.54)</b>	<b>53.54</b>	<b>0.00</b>
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4.13 In year re-profiling, leading to carry forwards into the following year, is a routine and normal practice. Capital carry forward is defined as a means to carry capital resources from one year to another to cover identifiable commitments that have moved from one year to another, or for where a project spans more than one year. In any large organisation dealing with construction projects, procurement regulations, etc, a level of carry forward is expected and built into resourcing assumptions. It is recognised that capital projects can cross over years, and it is often difficult to be accurate in the estimation of which year the expenditure will be incurred. Cabinet are asked to approve the carry forwards of £53.54m of unspent capital schemes as shown in Appendix 5 and 6.

### ***Flexible use of Capital Receipts 2023/24***

4.14 The Council's flexible use of capital receipts (FUOCR) strategy was approved as part of the budget plan to Council on 28 February 2024. The estimated 2023/24 qualifying expenditure was forecast at £2.86m, with the equivalent final outturn expenditure totalling £3.19m. This variance was a result of increased qualifying redundancy and pension strain expenditure of £400k being finalised in the final quarter of 2023/24 and a delay in expenditure relating to Adult Social Care transformation of (£70k).

This change has not altered the overall FUOCR strategy but has led to a reprofiling of use between 2023/24 and 2024/25 as detailed below in table 7.

**Table 6: Flexible Use of Capital Receipts – Forecast February 2024**

<b>Proposed Area</b>	<b>Project Area / Work Stream</b>	<b>Forecast Expenditure 2023/24</b>	<b>Forecast Qualifying Expenditure 2024/25</b>	<b>Total Expenditure</b>
		<b>£m</b>	<b>£m</b>	<b>£m</b>
Walsall Proud Transformation and Change and Project Management Support	All Proud Workstreams	0.18	0.04	0.22
One-Off Proud Workstream Investment to Deliver Proud Savings	Adult Social Care and Leisure Services	1.48	0.29	1.77
Service restructuring and rationalisation (interim support to create additional capacity, redundancy, pension strain, etc) costs associated with organisation redesigns to deliver the changes in Proud ways of work	All Proud workstream projects	1.20	0.81	2.01
<b>Total</b>		<b>2.86</b>	<b>1.14</b>	<b>4.00</b>

**Table 7: Flexible Use of Capital Receipts – Pre-audit Outturn Updated Position**

<b>Proposed Area</b>	<b>Project Area / Work Stream</b>	<b>Outturn Expenditure 2023/24</b>	<b>Forecast Qualifying Expenditure 2024/25</b>	<b>Total Expenditure</b>
		<b>£m</b>	<b>£m</b>	<b>£m</b>

Walsall Proud Transformation and Change and Project Management Support	All Proud Workstreams	0.19	0.03	0.22
One-Off Proud Workstream Investment to Deliver Proud Savings	Adult Social Care and Leisure Services	1.40	0.37	1.77
Service restructuring and rationalisation (interim support to create additional capacity, redundancy, pension strain, etc) costs associated with organisation redesigns to deliver the changes in Proud ways of work	All Proud workstream projects	1.60	0.41	2.01
<b>Total</b>		<b>3.19</b>	<b>0.81</b>	<b>4.00</b>

### ***Financial Health Indicators***

4.15 Appendix 9 contains financial health indicator performance as at 31 March 2024. 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*

4.16 The indicators show the actual borrowing and investment rates for 2022/23 and the forecast for 2023/24 against set targets. Proactive and robust management of the council's debt and investment portfolios is forecast to result in positive variances against most of the financial health indicator targets for 2023/24.

#### *Balance Sheet*

4.17 These detail ratios for the last 5 financial years 2019/20, 2020/21, 2021/22, 2022/23 and 2023/24 (draft) which show the liquidity of the authority.

#### *Revenue performance*

4.18 This section shows collection rates for council tax and business rates, the average number of days to collect sundry debt and the number of days to process creditor payments for 2023/24 and the performance against profile for 2023/24. Sundry debt collection is below target by 1 days with performance in relation to the processing of creditor payments better by 3 days. Council tax was on target with NNDR collection rates marginally below target.

#### *Management of Resources*

4.19 This section details the outturn position for 2022/23 and 2023/24 as at 31 March 2024 after use of and transfer to reserves and mitigating actions of £24.08m.

- 4.20 The capital outturn as at 31 March 2024 is a break even position after the roll forward of £53.54m.

### ***Prudential Indicators***

- 4.21 Appendix 10 contains the prudential indicators as at 31 March 2024. 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*

- 4.22 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 2023/24 apart from Prl 12- Maturity structure of borrowing within 5-10 years. This indicator is 0%. Historical borrowing in this category has now moved into a shorter term category.

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

### *Local Indicators*

- 4.23 These indicators have been set in consultation with the Treasury Management Panel, which is chaired by the S151 Officer, to provide further assurances to the authority that borrowing and investment is being undertaken in a sound and prudent manner.

- L2 - Average length of debt – The target acceptable limit is within 15-25 years. The authority's current position is 17.74 years, which is within the target range.
- L3a - Net borrowing costs as % of net council tax requirement. The target figure of 20.00% represents an upper limit of affordable net borrowing costs as a percentage of the net council tax requirement for the authority. The actual level of net borrowing costs is currently less than the upper limit, showing as 2.31%, which in the main is linked to the work undertaken by the service to seek secure favourable rates on investments and reduced costs on borrowing, thus reducing the overall net borrowing costs.
- L3b - Net borrowing costs as % of Tax Revenue. The target figure of 12.50% represents an upper limit of affordable net borrowing costs as a percentage of tax revenues for the authority. The actual level of net borrowing costs is currently less than the upper limit, showing as 1.55%, which in the main is linked to the work undertaken by the service to seek to secure favourable rates on investments and reduced costs on borrowing, thus reducing the overall net borrowing costs.
- L9a-9d – Bank of England have increased the base rate over the 2023/24 period, currently showing a base rate of 5.25%. This has had a corresponding affect in relation to investment yields. At-call, short term and long term investments are outperforming their individually set 2023/24 target rates.

All the indicators were met in 2023/24 except the following:

- L8. Average interest received on STI vs at call rate 1.02%. The short term interest rate of 4.97% is 0.05% basis points higher than the at-call rate which is 4.92%. However, the target rate for STI vs call rate shows at 35.00%. At the time these targets were set short term interest rates were significantly higher than at call rates. Also, as the call rate is increasing there are still active short-term investments placed over the past 12 months which are providing a lower yield in comparison to current short-term yields. Once these investments have matured (and potentially re-invested), we should see an increase in short term interest rate.

The annual review of financial health indicators is shown at Appendix 9. This summarises the following:

- Strong treasury management performance for 2023/24.
- Strong balance sheet financial performance.
- Council tax and business rate collection rates as expected.
- Strong sundry debtor collection rates, showing an overall average number of 25 days.
- Strong creditor performance, showing an overall average number of 5 days.
- Revenue and capital position for 2023/24 – as outlined in the sections above.

4.24 The pre-audit prudential and local indicators as at 31 March 2024 are shown in the Treasury Management Annual Report 2023/24, which is a separate report on this agenda for Cabinet.

### **Council Plan priorities**

4.25 The councils financial strategy and annual budget process is designed to ensure that resources follow council priorities as set out in the Council Plan. Delivery of services within budget is fundamental to ensuring and maintaining financial stability.

### **Risk management**

4.26 The 2023/24 budget and level of operating reserves were set following a robust financial risk assessment. The level of reserves can only be set based on realistically foreseeable or predicted parameters. Due regard is made to the strategic and operational risks facing the council. Some of these relate to the economic condition, others to potential regulatory or national issues, which may have a local impact. Best professional judgement and estimates were applied in terms of the ongoing impact of the global pandemic and rising cost of living pressures.

4.27 Managers are required to deliver service and improvement targets on time, to standard and within budget. The resource allocation process is governed by the overarching Medium Term Financial Framework. Risk management is an integral part of this activity and is embedded in budget preparation, monitoring and forecasting to enable potential variances and risks to be identified early and addressed.

- 4.28 There were a number of identified risks in 2023/24 which became a reality and had an impact on the financial position. Actions have been taken to address the financial impact and reduced the overspend caused by these pressures. Where ongoing, these have been taken into account within the 2024/25 budget.
- 4.29 Delays in the delivery of some 2023/24 savings (Appendix 4) has resulted in an increased level of savings to be delivered in 2024/25, leading to additional risk in relation to capacity etc to deliver these. All savings are required to have delivery plans in place and progress in relation to delivery will be tracked on a monthly basis and will be reported to management and Cabinet throughout 2024/25, along with any actions to address any delays.
- 4.30 As well as financial risk, the council maintains a register that highlights key themes of organisational risk which is reported to Audit Committee as part of their annual work programme. The Strategic Risk Register (SRR) has been reported to CMT and oversight in relation to this rests with Audit Committee, which have received a number of reports during 2023/24.

### **Financial implications**

- 4.31 The outturn position will affect the overall financial standing of the council. The aim is to ensure the councils balances are at a level consistent with the requirements of the MTFF. The council has a statutory responsibility to set a balanced budget and to ensure it has an adequate level of reserves. The council takes a medium term policy led approach to all decisions on resource allocation. This report sets out that the council has delivered on its financial strategy and outturned with reserves intact for 2024/25.
- 4.32 Opening unallocated general reserves for 2023/24 were £18.70m. The medium-term financial framework (MTFF) requires that a prudent level of reserves is maintained. This was set at no less than £16.12m for 2023/24. Actions have been taken to address the overspends resulting in general reserves at 31 March 2024 of £19.56m.

### **Legal implications**

- 4.33 The council is required to set and operate within a balanced budget. Section 114 of the Local Government Finance Act 1988 requires the chief finance officer (CFO / S151 Officer), in consultation with the council's monitoring officer, to make a report under this section if it appears to him or her that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure. In practice, this is most likely to be required in a situation in which reserves have become depleted and it is forecast that the council will not have the resources to meet its expenditure in a particular financial year. This mechanism, however, is impractical and should be avoided, as issuing a S114 notice requires all non-statutory spend to cease immediately, a situation which would just exacerbate the current situation.

- 4.34 CIPFA's guidance to CFO's has been modified to allow councils under budgetary pressure due to Covid-19 the time and space to explore alternatives to freezing spending via a S114 notice. The two specific modifications are:
- At the earliest possible stage, a CFO should make informal confidential contact with DLUHC to advise of financial concerns and a possible forthcoming S114 requirement.
  - The CFO should communicate the potential unbalanced budget position due to Covid-19 to DLUHC at the same time as providing a potential S114 scenario report to the council executive (cabinet) and the external auditor.
- 4.35 The council will continue to have due regard to its statutory responsibilities in proposing any changes to service provision, to reporting on and managing the in year financial position, and its statutory responsibilities in relation to setting a balanced budget.

### **Procurement implications / social value**

- 4.36 All procurement activity is being reviewed, with a focus on identifying opportunities that will enable us to financially support our current and future services, especially those developed by Walsall Proud. It will do this by reviewing and reducing third party spend and improving the 'Procure to Pay' process and systems. The Third Party Spend Board supports and challenges services through the gateways of the commissioning and procurement process, with the aim of achieving best value for money.

### **Property implications**

- 4.37 Cabinet on 20 April 2022 approved the council's Strategic Asset Plan 2022-27: the key document which sets out the council's vision and approach for the management of its property portfolio under the Corporate Landlord model.

The Corporate Landlord model approach takes a more strategic approach to property and asset management across the council, bringing together property, facilities management and commissioning responsibilities into a key enabling service under the council's new functional model. This will ultimately enable the development and implementation of an estate that supports Proud and the wider corporate objectives of the council.

### **Health and wellbeing implications**

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

### **Staffing implications**

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



## **Reducing inequalities**

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

## **Climate change**

- 4.41 This report is prepared with consideration of the council's Climate Change Action Plan, and the council will need to consider the six key areas of the Plan: strategy, energy, waste, transport, nature, resilience and adaptation (as appropriate) in delivery of services.

## **Consultation**

- 4.42 The report is prepared in consultation with the S151 Officer, relevant managers and CMT.

## **5. Decide**

- 5.1 Cabinet are asked to note the outturn position and to consider and support the recommendations contained within this report in relation to capital carry forwards.

## **6. Respond**

- 6.1 Approved capital carry forwards, as outlined in this report, will be allocated as a variation to the 2024/25 capital programme, and managed during 2024/25.

## **7. Review**

- 7.1 Capital carry forwards, reserves, provisions and contingencies will be managed alongside the approved 2024/25 revenue budget and capital programme.
- 7.2 Regular monitoring reports will be presented to Cabinet and Scrutiny to inform them and enable them to monitor and where appropriate, challenge service delivery against budget.

Background papers: Various financial working papers.

## **Appendices:-**

- 1 Pre-audit Revenue Outturn position by service for 2023/24;
- 2 Details of (use of) / transfer to reserves;
- 3 Mitigating actions contained within outturn 2023/24;

- 4 Proud - Benefits 2023/24 with delayed delivery;
- 5 Pre-audit Capital Outturn by scheme for 2023/24 – council funded schemes;
- 6 Pre-audit Capital Outturn by scheme for 2023/24 – externally funded schemes;
- 7 Performance data relating to demand within Children’s Services;
- 8 Performance data relating to demand within Adults Social Care;
- 9 Financial Health Indicators 2023/24;
- 10 Prudential Indicators 2023/24.

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



**Shaun Darcy**  
**S151 Officer, and Director of Finance,**  
**Corporate Landlord and Assurance**  
08.07.2024



**Councillor M. Statham**  
**Deputy Leader - Finance**

08.07.2024

## Appendix 1 – Pre-audit revenue outturn position 2023/24

SERVICE	ANNUAL BUDGET	DRAFT OUTTURN AFTER USE OF AND TRANSFER TO EARMARKED RESERVES	VARIANCE TO BUDGET (UNDER) / OVER
	£	£	£
<b>Adult Social Care, Public Health &amp; Hub</b>			
Access, Assessment & Care Management	6,726,766	6,390,174	(336,592)
ASC Partnerships	1,244,909	812,822	(432,087)
Complex Needs	268,014	296,103	28,089
Demand Management	57,894,728	70,373,187	12,478,459
Health & Social Care	578,695	2,294,783	1,716,088
Intelligence & Delivery	1,090,685	1,175,145	84,460
Management Support & Other	(9,729,535)	(9,662,436)	67,099
Mental Health Services	1,521,702	1,543,442	21,740
Older People	10,146,495	10,199,668	53,173
Resources	1,551,335	1,494,091	(57,244)
Safeguarding SCI	925,546	850,472	(75,074)
Strategy, Commissioning & Delivery Support	1,066,040	1,187,284	121,244
Public Health	(27,523)	(27,524)	(1)
HUBS	3,606,619	3,338,986	(267,633)
<b>Total Adult Social Care, Public Health &amp; Hub</b>	<b>76,864,476</b>	<b>90,266,197</b>	<b>13,401,721</b>
<b>Children, Education and Customer Engagement</b>			
Access & Achievement	13,957,878	16,618,384	2,660,506
Childrens Social Care	62,433,421	66,078,211	3,644,790
Childrens Wide	752,872	335,891	(416,981)
Early Help	4,560,651	4,429,648	(131,003)
Customer Engagement	12,147,505	12,693,031	545,526
<b>Total Children, Education and Customer Engagement</b>	<b>93,852,327</b>	<b>100,155,165</b>	<b>6,302,838</b>
<b>Economy, Environment &amp; Communities</b>			
Clean and Green Services	20,376,946	20,575,205	198,259
Regeneration & Economy	896,819	696,821	(199,998)
Highways & Transportation	18,401,999	17,617,311	(784,688)
Emergency Planning	249,737	174,949	(74,788)
Leisure & Bereavement Services	(233,532)	(103,440)	130,092
Planning & Building Control	1,039,643	890,736	(148,907)
EE & C management	534,350	659,130	124,780
Cultural Services	(1,679,779)	(1,676,582)	3,197
Resilient Communities	6,026,892	5,834,024	(192,868)
<b>Total Economy, Environment &amp; Communities</b>	<b>45,613,075</b>	<b>44,668,154</b>	<b>-944,921</b>

<b>Resources and Transformation</b>			
Black Country LEP (inc EZ, towns fund etc)	2,780,555	2,796,906	16,351
Programme Management (inc Patrol Admin )	373,336	357,874	(15,462)
<b>SERVICE</b>	<b>ANNUAL BUDGET</b>	<b>DRAFT OUTTURN AFTER USE OF AND TRANSFER TO EARMARKED RESERVES</b>	<b>VARIANCE TO BUDGET (UNDER) / OVER</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Governance	5,119,461	5,007,389	(112,072)
Finance (inc CMT/Internal Audit)	6,844,565	6,537,447	(307,118)
Payroll & Pension	335,913	336,013	100
Corporate Assurance	579,598	534,274	(45,324)
Procurement	839,495	1,326,112	486,617
Human Resources	7,609,199	7,048,745	(560,454)
Asset Management	4,731,853	4,622,189	(109,664)
Integrated Facilities Management (Hard)	7,437,926	8,023,246	585,320
Integrated Facilities Management (Soft)	446,578	770,704	324,126
DaTS	12,607,377	12,033,773	(573,604)
Proud	1,219,539	1,094,578	(124,961)
<b>Total Resources and Transformation</b>	<b>50,925,395</b>	<b>50,489,250</b>	<b>(436,145)</b>
<b>Sub Total Services</b>	<b>267,255,273</b>	<b>285,578,763</b>	<b>18,323,490</b>
Capital Financing	(15,206,662)	(17,286,659)	(2,079,997)
Central Budgets / Levies	(107,885,569)	(110,036,285)	(17,099,691)
<b>TOTAL</b>	<b>144,163,042</b>	<b>158,255,819</b>	<b>(856,198)</b>

## Appendix 2 – Details of (use of) / transfer to reserves

Reserve	Use of Reserve £	Transfer to Reserve £	Details of use of reserve
<b>Adult Social Care, Public Health and Hub</b>			
Covid-19 – Omicron	(136,780)	0	Costs associated with the plan to strengthen the Carers strategy across the borough following Covid-19
Adult Social Care External Partner Contributions	0	261,105	External grant / contributions which are ring fenced to fund the Economic Intelligence Team
Housing 21	(476,910)	0	Mitigating action to fund the increase in unitary charge above that included in the budget due to higher RPI being applied than expected.
National Development Team for Inclusion Project	(143,481)		Use of grant funding carried forward from 2022/23.
Better Care Fund (BCF) / Improved Better Care Fund 2 (iBCF2)	(40,000)	0	Costs associated with social care activity/intermediate Care.
Mediation reserve	(3,870,509)	1,000,000	To cover the 2023/24 proportion of income due from Walsall ICB which is currently in dispute.
Public Health	(1,055,442)	957,051	Relates to grant funding for Public Health projects – Better Mental Health, Adult Weight Management and Universal Drug / Crime
IFRS	(275,230)	614,309	Funding of various one-off projects i.e., Homelessness, Housing First and Mental Health. Transfer to reserve is mainly due to under spend on staffing and contracts.
Social Care Grant – Doctor’s assessments	(39,006)	0	To support back log of Best Interest Assessors / Deprivation of Liberty safeguard assessments.
Social care demand / contingency	(558,000)	0	To fund increase in demand / costs
Proud - Adult Social Care	(1,241,522)	0	To fund investment and resources to deliver Proud workstream activity.
Pay and Pensions	(22,018)	0	To fund agency pay award back pay for 2023/24

<b>Total Adult Social Care, Public Health and Hub</b>	<b>(7,858,898)</b>	<b>2,832,465</b>	
<b>Children's Services</b>			
IFRS	(1,087,934)	591,051	Relates to grant funding for School Improvements, Safeguarding Families, Protecting Children, Regional Recovery, Rough sleepers, Personal Advisors.
<b>Reserve</b>	<b>Use of Reserve £</b>	<b>Transfer to Reserve £</b>	<b>Details of use of reserve</b>
Children in care complex cases	(256,251)	0	To fund pressures, including social workers and placement costs, of complex cases relating to young people in care.
Children's external partner contributions	(200,231)	160,639	Use of Safeguarding Partnership and Regional Adoption Agency contributions.
Social care demand / contingency	(2,535,459)	0	To fund the additional costs of Childrens placement moves previously identified as risk which has now materialised.
Truancy fine income	(120,291)	180,090	Used to fund an attendance officer post.
Redundancy / Pension	(107,133)	0	To fund redundancy / pension costs.
Children's USAC migration fund	(29,683)	0	Grant funding to support USAC
St Thomas Moore PFI	(89,659)	0	To be utilised over the life of the PFI contract.
Pay and Pensions	(86,676)	0	To fund agency pay award back pay for 2023/24
<b>Total Children's Services</b>	<b>(4,513,317)</b>	<b>931,780</b>	
<b>Children's - Customer Engagement</b>			
Houses in multiple occupation (HMO) licences	(48,825)	0	To fund staff support costs relating to HMO licences .
IFRS	(924,475)	910,124	Grant funding for Housing First scheme, homelessness, citizens advice bureau, refugee costs and other smaller projects.
Crisis support	(589,360)	0	To fund costs related to the Crisis Support Scheme.
Housing Domestic Retrofit Programme	(106,000)	0	To fund costs of the programme.
Housing IT System Implementation	(112,170)	0	Surplus income in year expected to be c/f to fund costs in 2023/24.
Redundancy / Pension	(52,837)		To fund redundancy / pension costs.
<b>Total Children's - Customer Engagement</b>	<b>(1,833,667)</b>	<b>910,124</b>	
<b>Economy, Environment &amp; Communities</b>			
Covid-19 – Community Champions	(6,494)	0	Costs of supporting residents who are most at risk of Covid-19.

Building control fees	(45,133)	0	Statutory account. Required to breakeven over a 3 year period which is reviewed annually.
Shannon's Mill (commuted sum)	(3,000)	0	To cover the ongoing maintenance with a set proportion released each year.
Street Lighting PFI	(1,896,143)	0	Grant funding to be utilised over the life of the project. This is being utilised to fund the increase in energy costs for 2023/24.
<b>Reserve</b>	<b>Use of Reserve £</b>	<b>Transfer to Reserve £</b>	<b>Details of use of reserve</b>
Bus lane enforcement ring fenced income	(358,081)	87,347	Funding key projects in line with the legislation. - District signage - Rolling programme to refresh street name plates; - Road lines; - Introduction of Moving Traffic Enforcement legislation.
King's Coronation	(20,000)	0	To fund community activities and involvement for Coronation celebrations across Walsall.
On Street Car Parking income (ringfenced)	(455,353)	0	To fund key projects in line with the legislation.
Economic growth programme (EGP)	(21,326)	0	To support costs within service to continue functions as per Cabinet report October 2020. Extended to 2023.
IFRS	(1,078,145)	608,576	Primarily relates to grants / contributions carried forward where spend was delayed due to Covid-19 or spend spans more than 1 year.
Phoenix 10	(4,132)	0	To fund professional fees.
Willenhall Master Plan	(23,793)	0	Costs associated with the Willenhall Master Plan redevelopment
Feasibility / Options appraisals	(11,421)	0	To cover costs which cannot be coded to capital and abortive costs of schemes.
Redundancy / Pension	(96,258)		To fund redundancy / pension costs.
Planning	(471,875)	0	To fund one off costs of agency to clear back log of applications.
Pledges	(226,465)		To fund the administration's priorities
Mediation reserve	(50,000)	0	To fund cost for unauthorised encampments activity.
Pay and Pensions	(176,386)	0	To fund agency pay award back pay for 2023/24
<b>Total Economy, Environment &amp; Communities</b>	<b>(4,944,005)</b>	<b>695,923</b>	
<b>Resources &amp; Transformation</b>			

Audit and inspection	(66,764)	0	Contingency set aside to cover additional internal audit contract costs.
Corporate Landlord	(794,817)		Cover costs which cannot be coded to capital, abortive costs of schemes, demolitions and redundant buildings
Economic growth programme	(427,680)	0	To support costs within service to continue functions as per Cabinet report October 2020. Extended to 2023.
<b>Reserve</b>	<b>Use of Reserve £</b>	<b>Transfer to Reserve £</b>	<b>Details of use of reserve</b>
Delivery of Connected Gateway (FHSF)	(596,996)	0	To fund closure costs of investment properties
Enterprise Zones	(1,104,041)	3,036,547	Generated from surplus business rates from across the Black Country to fund the costs of future capital schemes.
External partner contributions	(33,287)	48,337	ERDF technical assistance contributions & Crowdfund Walsall
Growing Places Fund	(121,764)	27,314	Funding received to support the Growing Places LEP programme management costs.
Growth Deal Programme	(23,625)	108,272	Funding received to support the Growing Places LEP programme management costs.
IFRS	(59,901)	448,369	Primarily relates to grants / contributions carried forward where spend was delayed due to Covid-19 or spend spans more than 1 year.
Improvement projects	(52,411)	0	To fund costs associated with One Source and Cloud/Azure licencing costs.
Proud Resource Plan	(1,865,918)	0	To fund investment and resources to deliver Proud workstream activity.
Pay and Pensions	(411,430)	0	To fund agency pay award back pay for 2023/24
Redundancy	(177,806)	0	To fund redundancy costs.
Youth Employment Initiative (YEI) Overheads	(17,925)	0	To fund project costs.
<b>Total Resources and Transformation</b>	<b>(5,754,365)</b>	<b>3,668,839</b>	
<b>Capital Financing</b>			
Borrowing re-scheduling	0	5,205,443	To fund borrowing re-scheduling costs dependent on market conditions and to manage risk / pressures for changes in interest rates and on-going impact of airport dividend shortfalls due to impact of changes in the business plan / Covid-19.
Buy not lease	0	48,204	To be used to purchase vehicles / equipment when the costs are calculated to be cheaper than leasing. Also cover expected pressures on leasing



			programme due to cost of replacement vehicles.
CCLA reserve	0	2,000,000	£30m investment - Statutory override till end March 2025 - once this runs out we will have to put any gains and losses on the investment in year into the accounts and this will smooth these changes.
Minimum revenue provision (MRP)	(790,225)	253,282	To smooth minimum MRP costs as per approved MRP policy.
<b>Reserve</b>	<b>Use of Reserve £</b>	<b>Transfer to Reserve £</b>	<b>Details of use of reserve</b>
Pensions – upfront payment borrowing costs	(9,000)	0	To fund borrowing costs of funding pension payments upfront for 3 years to release savings.
<b>Total Capital Financing</b>	<b>(799,225)</b>	<b>7,506,929</b>	
<b>Centrally Held</b>			
Proud	(1,049,790)	0	Funding of one-off investment in relation to Proud programme.
Audit and inspection	(156,898)		To cover the additional external audit contract costs for 2023/24.
Pay and Pensions	(221,058)	0	Fund additional costs to pension scheme
Enterprise Zones – part of section 31 grant	0	18,338	Transfer of business rates income relating to the Enterprise Zone.
Environmental Levy	(550,400)	0	Planned use of reserve no longer required to support one off expenditure included in the 2023/24 budget.
Business rates retention scheme	(46,181)	5,264,000	Planned transfer to fund volatility of business rates income due to the pandemic and any appeals. Also, to smooth future changes to the scheme.
Risk	(6,886,540)	2,325,000	Mitigating action to cover RED savings not forecast to be achieved in year with not alternative actions. Replenishment to cover further pressures not yet realised.
Social care demand / contingency	(3,710,000)	2,500,000	Mitigating action – to cover unforeseen increased costs within Adult Social care and Childrens Services. Replenishment to cover any further pressures not yet realised,
Cost of Living	(3,827,276)	600,000	Mitigating action – Housing 21 inflation increases. Energy budget transferred to replenish reserve.
Corporate Landlord	0	700,000	Replenish to cover costs which cannot be coded to capital, abortive costs of schemes, demolitions and redundant buildings
Mediation reserve	(223,648)	500,000	Mitigating action - to cover additional legal fees within Childrens Services and to replenishment for future costs.

<b>Total Centrally Held</b>	<b>(16,671,791)</b>	<b>11,907,338</b>	
<b>TOTAL RESERVES UTILISED / TRANSFERRED IN YEAR</b>	<b>(42,375,268)</b>	<b>28,453,398</b>	

### **Appendix 3: Mitigation actions included within the report**

<b>Directorate</b>	<b>Detail of mitigating actions</b>	<b>£m</b>
Adult Social Care, Public Health & Hubs	Over achievement and full year impact of the 2022/23 savings predominantly relating to review of existing client placements.	0.90
	Release of one-off grant relating to the streamline of Adult Social Care assessments.	0.14
	Release of Omicron one-off funding	0.13
	Use of remaining Housing 21 reserve to partially mitigate the contractual inflation pressure.	0.48
	One off use of reserves to cover Public Health savings relating to the review of existing transformation fund.	0.26
	Red STP's covered by service underspends.	0.17
<b>Total Mitigation included for Adult Social Care, Public Health and Hubs</b>		<b>2.08</b>
Children's Services - Children's and Education	One off reallocation of funding and reserves to support Children's pressures.	0.42
<b>Total Mitigation included for Children's Services and Education</b>		<b>0.42</b>
Economy, Environment & Communities	Use of legacy section 106 income held in reserve.	0.22
	Holding of vacant head of service post.	0.07
	Economic Growth Programme funding held in reserves.	0.46
	Use of corporate reserve to support planning.	0.25
	Use of parking reserve.	0.03
	Use of legacy commuted sums.	0.03
	Capitalisation of Velocity Patcher.	0.20
	Capitalisation of book fund.	0.15
Reduction of non-essential operational costs / holding vacant posts across Directorate	0.22	
<b>Total Mitigation included for Economy, Environment &amp; Communities</b>		<b>1.63</b>
Central	Use of Risk Reserve.	6.89
	Use of Cost of Living Reserve.	3.83
	Use of Mediation Reserve.	0.10
	Use of Social Care Demand / contingency reserve.	3.71
	Release of central budgets	5.42

<b>Total Mitigation included for Central</b>	<b>19.95</b>
<b>Total Mitigation included in forecast outturn</b>	<b>24.08</b>

<b>Mitigating actions included in report</b>	<b>£m</b>
Service mitigating actions	4.13
Corporate mitigating actions	19.95
<b>Total</b>	<b>24.08</b>

## Appendix 4 –Proud – Benefits 2023/24 with delayed delivery

Directorate / Area	Benefit	Original Full Benefit £	Value of benefit undelivered in year £	Value Carried Forward to 2024/25 £	Reason	Mitigating Actions
<b>Adult Social Care, Public Health &amp; Hub</b>						
Adult Social Care	OP13 – Learning Disability Joint Funding Tool	954,000	73,488	455,000	Awaiting detailed delivery plans - ICB discussions on JF tool.	Fully mitigated from risk reserve for 2023/24.
Adult Social Care	2022/23 - Review for learning disabilities joint funding tool	1,757,270	1,500,000	1,757,270	Awaiting detailed delivery plans – ongoing ICB discussions on JF tool.	Partly mitigated from overachievement of 2022/23 savings (£129k). Remainder mitigated by use of risk reserve for 2023/24 (£1.37m).
Adult Social Care	OP15 - Section 75 Grant – Income Generation Review of Grants	59,780	59,780	59,780	Further discussions to be held with ICB to understand how saving can be delivered.	Fully mitigated by underspend within service in 2023/24.
Adult Social Care	OP11 - (Shared Lives) – foster care provision	116,277	116,277	116,277	Delay in transferring clients from current care setting to shared lives.	Partly mitigated by sprint projects – BAU and OT review (£84k), remainder mitigated by use of risk reserve (£32k).
Adult Social Care	2022/23 - Efficiencies attributed to the implementation of Improved charging policies	770,905	770,905	770,905	Delay in delivery due to future proofing and integration with other systems.	Fully mitigated from overachievement of 2022/23 savings.
Adult Social Care	2022/23 - Staffing impact following the implementation of Bettercare Finance System	94,079	23,815	23,815	Delay in delivery due to future proofing and integration with other systems.	Fully mitigated from use of reserve for 2023/24.

Directorate	Benefit	Original Full Benefit	Value of benefit undelivered in year	Value Carried Forward to 2024/25	Reason	Mitigating Actions
		£	£	£		
Adult Social Care	2022/23 - Increased income from Print & Design service to external bodies	30,000	30,000	30,000	Delayed delivery due to lead time in attracting new business.	Fully mitigated through staff vacancies and underspend on supplies and services.
Public Health	2022/23 - Review of the usage of the public health transformation fund	300,000	255,000	50,000	Review of current transformation funding in process of being finalised.	Fully mitigated – Corporate funded one-off for 2023/24
<b>Total Adult Social Care, Public Health &amp; Hub</b>		<b>4,082,311</b>	<b>2,829,265</b>	<b>3,263,047</b>		
<b>Economy, Environment &amp; Communities</b>						
Economy, Environment & Communities	OP4 - Regeneration and Economy team review	260,193	260,193	260,193	Restructure plans delayed due to sickness absence.	Fully mitigated by underspend in service.
Economy, Environment & Communities	OP1 - Income Generation review of fees and charges – increase planning development charges by 5%	1,385	1,385	1,385	Fee increase has resulted in under-recovery.	Fully mitigated by additional income in other areas of Environment, Leisure and Commercial.
Economy, Environment & Communities	OP23a - Income Generation review of fees and charges – increase bereavement charges by 5%, registrars and interment fees by 3%	187,292	146,289	146,289	Charges increased but saving not achieved due to reduced demand.	Fully mitigated by additional income in other areas of Environment, Leisure and Commercial.
Economy, Environment & Communities	OP21 - Increase rental income from Park Lodges	5,000	4,034	4,034	Charges increase has not led to increased income as expected.	Fully mitigated by other revenue hire income.

Directorate	Benefit	Original Full Benefit	Value of benefit undelivered in year	Value Carried Forward to 2024/25	Reason	Mitigating Actions
		£	£	£		
Economy, Environment & Communities	P12 - Parking dispensation charging of £15 per vehicle per day	19,500	14,625	14,625	Delay on technology to allow payments to be taken.	Fully mitigated by use of parking reserve.
Economy, Environment & Communities	P3a - Outsource Outdoor Pursuits Service to a community group	12,878	12,878	12,878	Implementation delayed.	Fully mitigated by underspend in service.
Economy, Environment & Communities	P4 - Increase in bulky waste charges	136,000	136,000	136,000	Delay in new price on the web page due to Core Technology Platform work.	Fully mitigated by underspend within Clean and Green.
Economy, Environment & Communities	P6 - Rewilding of all urban grassed areas	352,348	352,348	50,000	Plans being reviewed and alternative saving proposals considered.	Fully mitigated by underspend within Clean and Green.
Economy, Environment & Communities	P13 - Reintroduce staff parking charges	18,000	18,000	-	Delayed due to equality impact.	Fully mitigated by underspend in service.
Economy, Environment & Communities	OP16 - Enhancement of Darlaston Pool	15,000	15,000	15,000	Delay due to the release of capital funds.	Fully mitigated by underspend in service.
Economy, Environment & Communities	OP17 - Development of Oak Park office space	50,000	37,500	37,500	Delay due to the release of capital funds.	Fully mitigated by underspend in service.
Economy, Environment & Communities	OP18 - Improvement to DD collection processes	10,000	10,000	10,000	Completion of project has been delayed.	Fully mitigated by underspend in service.
Economy, Environment & Communities	OP54 - Charge developers for travel plans	30,000	30,000	30,000	Recruitment – no suitably skilled staff available to implement.	Fully mitigated by commuted sums reserve.
Economy, Environment & Communities	OP56 - Increase recycling rates and reduce contamination	382,523	382,523	-	Service currently has no plan on how to achieve this saving.	Partly mitigated (£172k) by general underspends within Clean and Green. Remainder (£211k) mitigated by use of reserve for 2023/24.

Directorate	Benefit	Original Full Benefit	Value of benefit undelivered in year	Value Carried Forward to 2024/25	Reason	Mitigating Actions
		£	£	£		
Economy, Environment & Communities	2022/23 - Review of Libraries management	60,679	60,679	60,679	Head of Community Building role will move this forward when in post.	Underspends from salaries service used to fully mitigate red position.
Economy, Environment & Communities	2022/23 - Offer residential gardening service	30,000	30,000	-	Business case has highlighted this benefit cannot be achieved.	Fully mitigated by underspend within Clean and Green.
<b>Total Economy, Environment &amp; Communities</b>		<b>1,570,798</b>	<b>1,511,454</b>	<b>778,583</b>		
<b>Central</b>						
Central	Part OP26 - Council wide efficiencies relating to Customer Access Management	2,930,000	2,930,000	-	Delayed as a result of core technology platform and need for detailed CAM delivery plan.	Fully mitigated from risk reserve for 2023/24.
<b>Total Central</b>		<b>2,930,000</b>	<b>2,930,000</b>	<b>0</b>		
<b>Resources &amp; Transformation</b>						
Resources & Transformation	2022/23 - Solar panels on our buildings	23,000	16,000	16,000	Work will not be completed within scheduled timescales.	Fully mitigated by overall Directorate underspend.
<b>Total Resources &amp; Transformation</b>		<b>23,000</b>	<b>16,000</b>	<b>16,000</b>		
<b>Children's, Education &amp; Customer Engagement</b>						
Children's Services	OP2 - Home to School Transport – review of contracts and route optimisation	300,000	300,000	300,000	Increase in expected demand for 2023/24.	Fully mitigated from risk reserve for 2023/24.
Children's Services	OP6 - Review of current establishment and reduction in the use of agency staff	634,406	315,450	315,450	Delays in recruiting social workers has led to increased agency costs.	Partly mitigated (£155k) from risk reserve for 2023/24. Remainder (£161k) mitigated within service.
Children's Services	OP45/51 - Further Recruitment and Retention of internal Foster Carers	630,000	210,648	210,648	National recruitment pressures of foster carers.	Fully mitigated from risk reserve for 2023/24.

<b>Directorate</b>	<b>Benefit</b>	<b>Original Full Benefit</b>	<b>Value of benefit undelivered in year</b>	<b>Value Carried Forward to 2024/25</b>	<b>Reason</b>	<b>Mitigating Actions</b>
		<b>£</b>	<b>£</b>	<b>£</b>		
Children's Services	OP46/52 - Specialist Foster Placements	392,000	213,250	213,250	Recruitment delays and delays in YP placement moves.	Fully mitigated from risk reserve for 2023/24.
Children's Services	OP47 - Sibling Groups of 4+	200,000	76,102	76,102	Increased inflow of young people.	Fully mitigated from risk reserve for 2023/24.
Customer Engagement	Part OP26 - Council wide efficiencies relating to Customer Access Management	1,540,000	1,540,000	-	Delay in implementation of Customer Experience Centre changes.	Partly mitigated (£250k) from service underspends. Remainder (£1.29m) mitigated from risk reserve for 2023/24.
<b>Total Children's, Education &amp; Customer Engagement</b>		<b>3,696,406</b>	<b>2,655,450</b>	<b>1,115,450</b>		
<b>Total</b>		<b>12,302,515</b>	<b>9,942,169</b>	<b>5,173,080</b>		



## Appendix 5 – Pre-audit Capital Outturn by Scheme 2023/24 – council funded schemes

COUNCIL FUNDED SCHEMES	2023/24 Budget £	2023/24 Outturn £	Variance £	Carry forward to 2024/25 £	(Underspend) Overspend £
<b>ADULT SOCIAL CARE, PUBLIC HEALTH, AND HUB</b>					
Mosaic Portal implementation	40,000.00	31,480.31	(8,519.69)	(8,519.69)	0.00
<b>ADULT SOCIAL CARE, PUBLIC HEALTH, AND HUB COUNCIL FUNDED TOTAL</b>	<b>30,000.00</b>	<b>30,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>CHILDREN'S, EDUCATION AND CUSTOMER ENGAGEMENT</b>					
School temporary classrooms	155,135.00	152,592.95	(2,542.05)	(2,542.05)	0.00
School estate condition survey	199,000.00	198,439.40	(560.60)	(560.60)	0.00
Children in care out of borough placements	317,296.00	161,352.29	(155,943.71)	(155,943.71)	0.00
Childrens services locality project	0.00	0.00	0.00	0.00	0.00
Redesign of children's homes	149,255.00	144,740.90	(4,514.10)	(4,514.10)	0.00
Aids and adaptations (statutory element)	700,396.00	700,395.46	(0.54)	(0.54)	0.00
Health through warmth and related retro fit schemes	176,706.00	165,469.23	(11,236.77)	(11,236.77)	0.00
Social housing decarbonisation	283,600.00	223,729.96	(59,870.04)	(59,870.04)	0.00
CCTV in temporary accommodation	0.00	0.00	0.00	0.00	0.00
School capital using Dedicated School Grants	1,973,566.00	1,973,565.28	(0.72)	(0.72)	0.00
Homelessness temporary accommodation	748,000.00	97,382.26	(650,617.74)	(650,617.74)	0.00
<b>CHILDREN'S, EDUCATION AND CUSTOMER ENGAGEMENT COUNCIL FUNDED TOTAL</b>	<b>4,702,954.00</b>	<b>3,817,667.73</b>	<b>(885,286.27)</b>	<b>(885,286.27)</b>	<b>0.00</b>
<b>ECONOMY, ENVIRONMENT AND COMMUNITIES</b>					
New homes bonus	76,999.00	0.00	(76,999.00)	(76,999.00)	0.00
Regenerating Walsall	223,206.00	0.00	(223,206.00)	(223,206.00)	0.00
Enterprise Zones	5,535,388.00	110,438.40	(5,424,949.60)	(5,424,949.60)	0.00
Willenhall masterplan	2,596,122.00	2,927.71	(2,593,194.29)	(2,593,194.29)	0.00

St Peters church repairs to surrounding wall	32,784.00	3,215.00	(29,569.00)	(29,569.00)	0.00
Willenhall Memorial park	2,851.00	0.00	(2,851.00)	(2,851.00)	0.00
Regional materials recycling centre	1,810,883.00	1,810,882.71	(0.29)	(0.29)	0.00
<b>COUNCIL FUNDED SCHEMES</b>	<b>2023/24 Budget £</b>	<b>2023/24 Outturn £</b>	<b>Variance £</b>	<b>Carry forward to 2024/25 £</b>	<b>(Underspend) Overspend £</b>
Middlemore lane household waste recycling centre	6,721,000.00	976,510.65	(5,744,489.35)	(5,744,489.35)	0.00
Allotment boundary improvement works	134,651.00	91,749.86	(42,901.14)	(42,901.14)	0.00
Walsall Arboretum extension	148,114.00	148,114.00	0.00	0.00	0.00
Barr Beacon security and infrastructure works	40,395.00	0.00	(40,395.00)	(40,395.00)	0.00
Paly areas and outdoor gym improvements	524,886.00	89,873.00	(435,013.00)	(435,013.00)	0.00
Capitalisation of wheeled bin stock	148,073.00	148,073.00	0.00	0.00	0.00
Headstone safety In cemeteries (revenue contribution to capital outlay)	31,152.00	31,151.33	(0.67)	(0.67)	0.00
Replacement cemeteries administration system	43,500.00	35,125.36	(8,374.64)	(8,374.64)	0.00
Streetly cemetery extension	2,937.00	1,197.71	(1,739.29)	(1,739.29)	0.00
North Walsall cemetery flooding	8,700.00	8,699.50	(0.50)	(0.50)	0.00
Hatherton Road car park	211,456.00	0.00	(211,456.00)	(211,456.00)	0.00
Promotion of community health and safety	235,857.00	77,318.16	(158,538.84)	(158,538.84)	0.00
Replacement of obsolete traffic signal control equipment	187,469.00	139,522.58	(47,946.42)	(47,946.42)	0.00
Hatherton Road multi storey car park structural maintenance	188,099.00	67,970.65	(120,128.35)	(120,128.35)	0.00
Darlaston strategic development area	9,801.00	0.00	(9,801.00)	(9,801.00)	0.00
Walsall town centre public realm improvements	217,800.00	2,408.95	(215,391.05)	(215,391.05)	0.00
Transit site	0.00	(2,224.62)	(2,224.62)	(2,224.62)	0.00
Lighting invest to save	5,934,272.00	5,331,608.63	(602,663.37)	(602,663.37)	0.00
Single library management system	6,317.00	0.00	(6,317.00)	(6,317.00)	0.00
Darlaston library integration	67,147.00	6,560.05	(60,586.95)	(60,586.95)	0.00
Replacement PC'S	34,000.00	0.00	(34,000.00)	(34,000.00)	0.00
Radio frequency identification self-issue	93,000.00	87,200.00	(5,800.00)	(5,800.00)	0.00
Limestone surveys	106,501.00	80,411.85	(26,089.15)	(26,089.15)	0.00

Cremator No 1 repairs (reline)	54,000.00	50,221.00	(3,779.00)	(3,779.00)	0.00
CCTV-resilient communities	28,615.00	27,760.98	(854.02)	(854.02)	0.00
Resurfacing of Church Road car park (revenue contribution to capital outlay)	56,055.00	56,054.55	(0.45)	(0.45)	0.00
<b>COUNCIL FUNDED SCHEMES</b>	<b>2023/24 Budget £</b>	<b>2023/24 Outturn £</b>	<b>Variance £</b>	<b>Carry forward to 2024/25 £</b>	<b>(Underspend) Overspend £</b>
Expansion of park hall	580,000.00	168,616.35	(411,383.65)	(411,383.65)	0.00
Leisure centre CCTV	86,909.00	86,909.00	0.00	0.00	0.00
Oak Park active living centre	350,000.00	348,789.90	(1,210.10)	(1,210.10)	0.00
Permanent planted christmas trees	32,080.00	32,079.17	(0.83)	(0.83)	0.00
Street Bins replacement programme	88,000.00	84,141.18	(3,858.82)	(3,858.82)	0.00
Development team capitalisation of posts	327,649.00	0.00	(327,649.00)	(327,649.00)	0.00
Walsall gateway	40,000.00	0.00	(40,000.00)	(40,000.00)	0.00
Brown Jug compulsory purchase order	27,000.00	0.00	(27,000.00)	(27,000.00)	0.00
Bereavement services maintenance	170,000.00	96,380.07	(73,619.93)	(73,619.93)	0.00
Library book fund	145,021.00	112,119.80	(32,901.20)	(32,901.20)	0.00
<b>ECONOMY, ENVIRONMENT &amp; COMMUNITIES COUNCIL FUNDED TOTAL</b>	<b>31,334,468.00</b>	<b>13,878,883.69</b>	<b>(17,455,584.31)</b>	<b>(17,455,584.31)</b>	<b>0.00</b>
<b>RESOURCES AND TRANSFORMATION</b>					
Procurement system	126,522.00	126,465.50	(56.50)	(56.50)	0.00
Oracle E Business suite archive	34,875.00	34,875.00	0.00	0.00	0.00
Asbestos removal	89,463.00	89,462.57	(0.43)	(0.43)	0.00
Planned property maintenance	169,486.00	169,485.34	(0.66)	(0.66)	0.00
Safe water supplies	72,231.00	72,230.11	(0.89)	(0.89)	0.00
Statutory testing	520,279.00	520,278.25	(0.75)	(0.75)	0.00
Council house smoke and heat detection fire alarm	326,920.00	13,000.00	(313,920.00)	(313,920.00)	0.00
Council house general heating	600,000.00	550,454.64	(49,545.36)	(49,545.36)	0.00
Operation repair and maintenance of council buildings	155,009.00	155,008.83	(0.17)	(0.17)	0.00
Fire risk assessment	660,624.00	660,623.89	(0.11)	(0.11)	0.00
Schools project	15,011.00	15,011.00	0.00	0.00	0.00

Walsall council house-modern secure reception	25,308.00	0.00	(25,308.00)	(25,308.00)	0.00
Council house internal decoration	30,218.00	0.00	(30,218.00)	(30,218.00)	0.00
Security arrangements for corporate buildings	52,468.00	52,468.00	0.00	0.00	0.00
<b>COUNCIL FUNDED SCHEMES</b>	<b>2023/24 Budget £</b>	<b>2023/24 Outturn £</b>	<b>Variance £</b>	<b>Carry forward to 2024/25 £</b>	<b>(Underspend) Overspend £</b>
Civic centre plumbing	66,600.00	0.00	(66,600.00)	(66,600.00)	0.00
Council house windows	1,290,759.00	30,000.00	(1,260,759.00)	(1,260,759.00)	0.00
Council house roof repairs	1,492,000.00	0.00	(1,492,000.00)	(1,492,000.00)	0.00
Computer aided facilities management system	350,000.00	0.00	(350,000.00)	(350,000.00)	0.00
Rushall Olympic football club	5,833.00	0.00	(5,833.00)	(5,833.00)	0.00
Saddlers centre shopping centre	458,941.00	143,857.01	(315,083.99)	(315,083.99)	0.00
Council chamber refurbishment	20,710.00	13,832.50	(6,877.50)	(6,877.50)	0.00
My CMIS (content management interoperability services)	15,796.00	0.00	(15,796.00)	(15,796.00)	0.00
Webcasting and hybrid council meetings	20,000.00	10,728.00	(9,272.00)	(9,272.00)	0.00
Safe and secure environment	2,608,395.00	1,188,602.30	(1,419,792.70)	(1,419,792.70)	0.00
Resource & consultancy to upgrade win2008 server	336.00	336.00	0.00	0.00	0.00
Proud programme	102,992.00	64,039.19	(38,952.81)	(38,952.81)	0.00
Enabling technology	7,588,510.00	2,912,756.98	(4,675,753.02)	(4,675,753.02)	0.00
Maintaining a safe and secure environment	329,223.00	41,170.48	(288,052.52)	(288,052.52)	0.00
Telephony cloud based system	484,271.00	0.00	(484,271.00)	(484,271.00)	0.00
Proud card payments digital website	1,025,431.00	172,705.14	(852,725.86)	(852,725.86)	0.00
Smartphones	279,309.00	11,544.77	(267,764.23)	(267,764.23)	0.00
Ways of working	652,806.00	314,141.19	(338,664.81)	(338,664.81)	0.00
Beyond system	1,101,223.00	728,005.33	(373,217.67)	(373,217.67)	0.00
Bosty lane farm	136,833.00	136,832.40	(0.60)	(0.60)	0.00
Konica multi-functional device re-tender	50,000.00	0.00	(50,000.00)	(50,000.00)	0.00
Archiving systems moving to customer access	100,000.00	36,248.05	(63,751.95)	(63,751.95)	0.00

Information governance service improvements	25,000.00	8,855.00	(16,145.00)	(16,145.00)	0.00
Digital & technology service staffing capitalisation	668,875.00	142,415.98	(526,459.02)	(526,459.02)	0.00
Public toilets	250,000.00	61,359.54	(188,640.46)	(188,640.46)	0.00
<b>COUNCIL FUNDED SCHEMES</b>	<b>2023/24 Budget £</b>	<b>2023/24 Outturn £</b>	<b>Variance £</b>	<b>Carry forward to 2024/25 £</b>	<b>(Underspend) Overspend £</b>
Clearance of tipped material from gasholders site	45,000.00	34,100.00	(10,900.00)	(10,900.00)	0.00
<b>RESOURCES AND TRANSFORMATION COUNCIL FUNDED</b>	<b>22,047,257.00</b>	<b>8,510,892.99</b>	<b>(13,536,364.01)</b>	<b>(13,536,364.01)</b>	<b>0.00</b>
<b>CENTRALLY HELD</b>					
Health and safety	1,021.00	0.00	(1,021.00)	(1,021.00)	0.00
Capital contingency	1,173,096.00	0.00	(1,173,096.00)	(1,173,096.00)	0.00
Equity investment	693,326.00	0.00	(693,326.00)	(693,326.00)	0.00
Capital staffing costs	261,000.00	168,398.16	(92,601.84)	(92,601.84)	0.00
<b>CENTRALLY HELD COUNCIL FUNDED</b>	<b>2,128,443.00</b>	<b>168,398.16</b>	<b>(1,960,044.84)</b>	<b>(1,960,044.84)</b>	<b>0.00</b>
<b>TOTAL COUNCIL FUNDED SCHEMES</b>	<b>60,253,122.00</b>	<b>26,407,322.88</b>	<b>(33,845,799.12)</b>	<b>(33,845,799.12)</b>	<b>0.00</b>

## Appendix 6 – Pre-audit Capital Outturn by Scheme 2023/24 – externally funded schemes

EXTERNAL FUNDED SCHEMES	2023/24 Budget £	2023/24 Outturn £	Variance £	Carry forward to 2024/25 £	(Underspend) Overspend £
<b>ADULT SOCIAL CARE, PUBLIC HEALTH, AND HUB</b>					
Integrated community equipment	888,000.00	888,000.00	0.00	0.00	0.00
<b>ADULT SOCIAL CARE, PUBLIC HEALTH, AND HUB EXTERNALLY FUNDED TOTAL</b>	<b>888,000.00</b>	<b>888,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>CHILDREN'S, EDUCATION AND CUSTOMER ENGAGEMENT</b>					
Academies	346,130.00	130,322.90	(215,807.10)	(215,807.10)	0.00
Basic need	1,612,040.00	412,422.82	(1,199,617.18)	(1,199,617.18)	0.00
Capital maintenance	5,300,000.00	5,145,478.37	(154,521.63)	(154,521.63)	0.00
Devolved formula capital	2,486,678.00	1,535,136.93	(951,541.07)	(951,541.07)	0.00
High needs provision capital allocation	3,700,000.00	3,457,889.73	(242,110.27)	(242,110.27)	0.00
Purchase of dispersed temporary accommodation	1,270,922.00	584,460.57	(686,461.43)	(686,461.43)	0.00
Disabled facilities grant	3,812,942.00	3,812,941.66	(0.34)	(0.34)	0.00
Off gas scheme	95,291.00	95,291.00	0.00	0.00	0.00
Contributions for health through warmth	10,495.00	10,495.00	0.00	0.00	0.00
Department of Business, Energy and Industrial strategy - local authority delivery scheme and home upgrade grant	3,507,082.00	3,491,969.23	(15,112.77)	(15,112.77)	0.00
Midland energy hub - local authority delivery scheme and home upgrade grant	1,304,888.00	1,304,888.00	0.00	0.00	0.00
Social housing decarbonisation – Walsall Alliance of Tennant Management Organisations	2,360,427.00	2,360,426.69	(0.31)	(0.31)	0.00
Family hub life programme	57,580.00	57,580.00	0.00	0.00	0.00
Local authority housing fund 1	628,238.00	453,499.44	(174,738.56)	(174,738.56)	0.00

Local authority housing fund 2	948,000.00	874,572.65	(73,427.35)	(73,427.35)	0.00
Home upgrade grant 2 Department of Business, Energy and Industrial strategy	1,396,200.00	57,606.90	(1,338,593.10)	(1,338,593.10)	0.00
Home upgrade grant 2 Midland energy hub	99,300.00	11,160.00	(88,140.00)	(88,140.00)	0.00
Childcare expansion capital grant	430,887.00	0.00	(430,887.00)	(430,887.00)	0.00
Social housing decency fund Willenhall traveller's site	130,759.00	6,460.00	(124,299.00)	(124,299.00)	0.00
<b>CHILDREN'S, EDUCATION AND CUSTOMER ENGAGEMENT EXTERNALLY FUNDED TOTAL</b>	<b>29,497,859.00</b>	<b>23,802,601.89</b>	<b>(5,695,257.11)</b>	<b>(5,695,257.11)</b>	<b>0.00</b>
<b>EXTERNAL FUNDED SCHEMES</b>	<b>2023/24 Budget</b>	<b>2023/24 Outturn</b>	<b>Variance</b>	<b>Carry forward to 2024/25</b>	<b>(Underspend) Overspend</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>ECONOMY, ENVIRONMENT AND COMMUNITIES</b>					
Walsall town deal	3,361,451.00	2,127,613.89	(1,233,837.11)	(1,233,837.11)	0.00
Future High Street Fund	1,766,529.00	639,793.99	(1,126,735.01)	(1,126,735.01)	0.00
Fibbersley Local Nature Reserve	828.00	0.00	(828.00)	(828.00)	0.00
Black Country Blue Network – European Regional Development Fund	54,503.00	54,503.00	0.00	0.00	0.00
Black Country Blue Network – Section 106	18,318.00	13,284.30	(5,033.70)	(5,033.70)	0.00
Barr Beacon Security and Infrastructure Works	61,000.00	0.00	(61,000.00)	(61,000.00)	0.00
Nature Recovery in Partnership with Canal and River Trust	72,489.00	42,195.75	(30,293.25)	(30,293.25)	0.00
Nature Recovery in Partnership with Canal and River Trust – Section 106	14,200.00	0.00	(14,200.00)	(14,200.00)	0.00
Additional Highway Maintenance Pothole Funding	2,134,241.00	2,126,885.12	(7,355.88)	(7,355.88)	0.00
Local Transport Plan - Bridge Strengthening	224,005.00	209,717.03	(14,287.97)	(14,287.97)	0.00
Local Transport Plan – Yorks Bridge	433,080.00	406,484.32	(26,595.68)	(26,595.68)	0.00
Capital Block Department for Transport Fund	1,732,026.00	1,710,613.03	(21,412.97)	(21,412.97)	0.00
M6 Junction 10 Highway Improvements	828,064.00	698,081.43	(129,982.57)	(129,982.57)	0.00
Zebra Crossing	4,774.00	0.00	(4,774.00)	(4,774.00)	0.00
West Midlands Strategic Transport Plan (STP) 'Movement For Growth'	2,533,865.00	2,013,762.90	(520,102.10)	(520,102.10)	0.00
Flood Alleviation Bloxwich Road Community Walls/Gates	53,051.00	29,116.06	(23,934.94)	(23,934.94)	0.00
Better Streets	8,884.00	0.00	(8,884.00)	(8,884.00)	0.00
Wolverhampton Street Section 106	73,875.00	11,008.50	(62,866.50)	(62,866.50)	0.00
Electric Vehicle Charging Point Installation	254,040.00	0.00	(254,040.00)	(254,040.00)	0.00

National Cycle Network Route - Canal and River Trust	5,267.00	0.00	(5,267.00)	(5,267.00)	0.00
Urban Tree Challenge	48,348.00	48,010.00	(338.00)	(338.00)	0.00
Wednesbury road footbridge	8,075.00	0.00	(8,075.00)	(8,075.00)	0.00
Construction of wall and footpath Hollyhedge Close	2,052.00	0.00	(2,052.00)	(2,052.00)	0.00
Highways CCTV upgrade	90,143.00	46,465.94	(43,677.06)	(43,677.06)	0.00
A41 Moxley transforming cities fund	230,000.00	120,048.24	(109,951.76)	(109,951.76)	0.00
<b>EXTERNAL FUNDED SCHEMES</b>	<b>2023/24 Budget £</b>	<b>2023/24 Outturn £</b>	<b>Variance £</b>	<b>Carry forward to 2024/25 £</b>	<b>(Underspend) Overspend £</b>
Willenhall Masterplan transport levelling up fund	2,600,000.00	2,533,033.03	(66,966.97)	(66,966.97)	0.00
Library improvements fund	202,349.00	202,349.00	0.00	0.00	0.00
Willenhall Masterplan	300,000.00	253,123.40	(46,876.60)	(46,876.60)	0.00
Reedswood park refurbishment levelling up funding	66,500.00	55,899.99	(10,600.01)	(10,600.01)	0.00
One Palfrey big local park improvement project	157,500.00	5,000.00	(152,500.00)	(152,500.00)	0.00
Renovation of park tennis courts	333,756.00	328,417.19	(5,338.81)	(5,338.81)	0.00
Larksmill (Pelsall Wood) flood alleviation	42,000.00	9,308.35	(32,691.65)	(32,691.65)	0.00
Coronation living heritage fund	63,202.00	878.60	(62,323.40)	(62,323.40)	0.00
Active travel fund (tranche 4)	285,179.00	148,435.49	(136,743.51)	(136,743.51)	0.00
Trees for climate fund	45,000.00	27,571.44	(17,428.56)	(17,428.56)	0.00
Department for transport network north	383,245.00	376,056.00	(7,189.00)	(7,189.00)	0.00
<b>ECONOMY, ENVIRONMENT &amp; COMMUNITIES EXTERNALLY FUNDED TOTAL</b>	<b>18,491,839.00</b>	<b>14,237,655.99</b>	<b>(4,254,183.01)</b>	<b>(4,254,183.01)</b>	<b>0.00</b>
<b>RESOURCES AND TRANSFORMATION</b>					
Bloxwich Town Deal	4,000,000.00	2,877,888.36	(1,122,111.64)	(1,122,111.64)	0.00
Land and Property Investment Fund	22,059,000.00	15,885,787.13	(6,173,212.87)	(6,173,212.87)	0.00
Black Country Local Enterprise Partnership Reinvestment Digital Fund	3,205,974.00	1,853,261.24	(1,352,712.76)	(1,352,712.76)	0.00
Growing Places Fund	2,790,771.00	2,066,966.69	(723,804.31)	(723,804.31)	0.00
Changing Places (Toilets)	241,412.00	236,861.90	(4,550.10)	(4,550.10)	0.00
UK Shared Prosperity Fund	526,099.00	160,938.21	(365,160.79)	(365,160.79)	0.00
Civic/council house decarbonisation	2,339,062.00	2,339,062.00	0.00	0.00	0.00



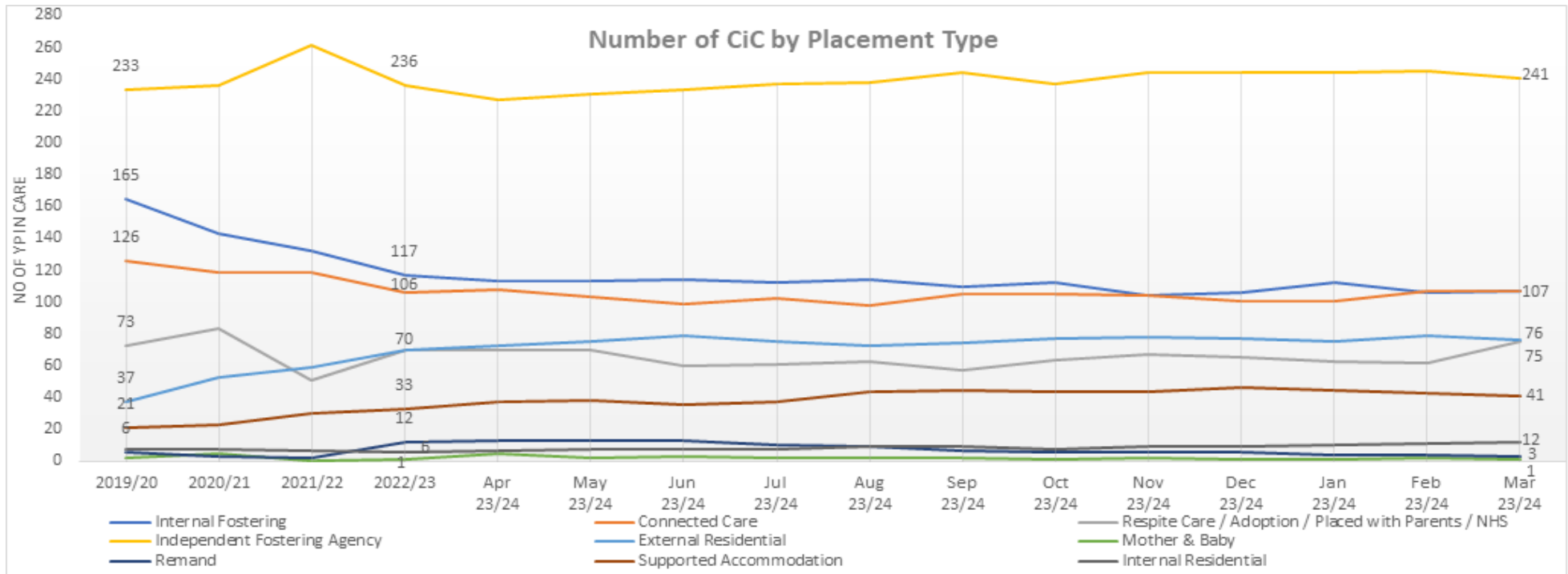
<b>RESOURCES AND TRANSFORMATION EXTERNALLY FUNDED TOTAL</b>	<b>35,162,318.00</b>	<b>25,420,765.53</b>	<b>(9,741,552.47)</b>	<b>(9,741,552.47)</b>	<b>0.0</b>
<b>TOTAL EXTERNALLY FUNDED SCHEMES</b>	<b>84,040,016.00</b>	<b>64,349,023.41</b>	<b>(19,690,992.59)</b>	<b>(19,690,992.59)</b>	<b>0.0</b>

## Appendix 7 – Performance data relating to demand within Children’s Services

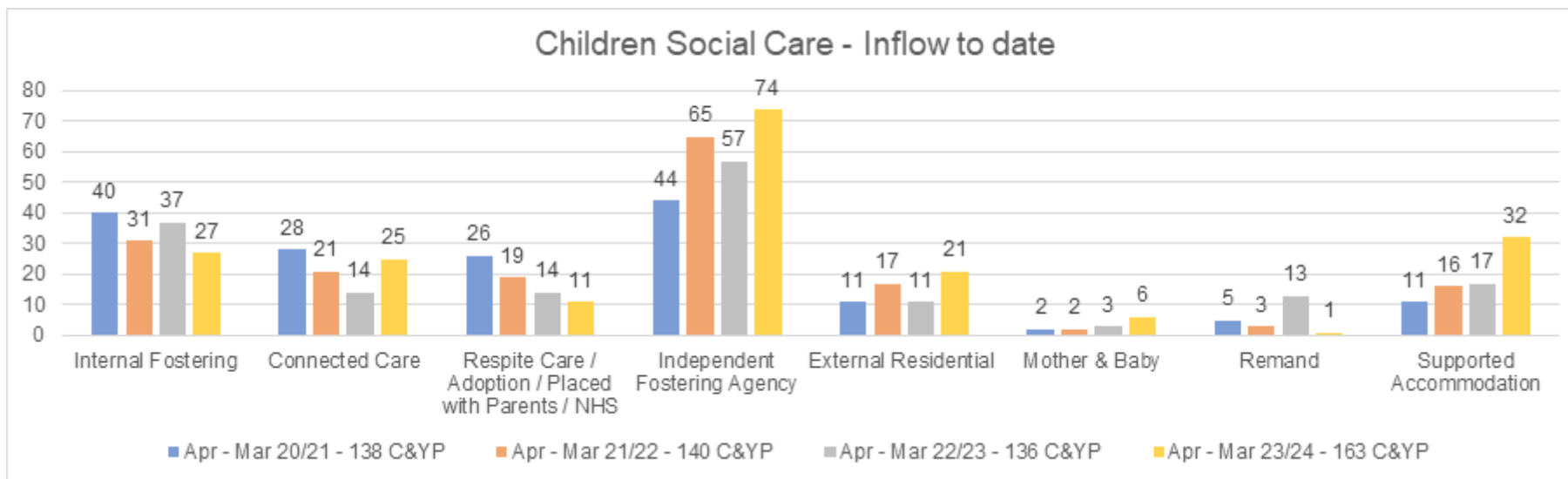
Number of Children in Care (CiC) by Placement Type

Year	2019/20	2020/21	2021/22	2022/23	Apr 23/24	May 23/24	Jun 23/24	Jul 23/24	Aug 23/24	Sep 23/24	Oct 23/24	Nov 23/24	Dec 23/24	Jan 23/24	Feb 23/24	Mar 23/24
Total CiC	671	673	661	651	653	653	645	644	650	653	654	658	655	655	659	663

As at the end of March 2024, there was 663 children in care in Walsall, an increase of 12 C&YP since Mar 23. In addition to this increase, there are continuing placement sufficiency pressures which has resulted in a change in the mix of placement types. The introduction of new legislation for non-Ofsted registered placements; a rising number of large sibling groups; an increasing number of complex children; together with a higher proportion of children in care over the age of 15 are all factors which have contributed to the increased demand within the market.



The graph above shows how the reliance on higher cost placements has increased over the 12 month and 4-year period, with the number of IFA placements increasing from 236 in 2022/23 to 241 in March 24, and the number of External Residential placements increasing from 70 to 76 over the same period. In comparison reliance on lower cost placements has reduced, with the number of Internal Fostering placements decreasing from 117 to 107. This increased reliance on these placement types is also seen within the inflow figures for this financial year. The table below illustrates the CiC inflow to date for 2023/24 and the prior three-year inflow trends:



As the chart demonstrates above, the number of children and young people (C&YP) entering care up to this point in the year, is higher than prior 3 years at 163, in comparison to 136 in 2022/23, 140 in 2021/22 and 138 in 2020/21. It also demonstrates how there is an increased reliance for independent fostering agency (IFA) and external children’s homes placements this financial year in comparison to previous years. To note, the growth in supported accommodation placements primarily relates to the increased intake of Unaccompanied Asylum Seeking Children (USAC) (16 C&YP), however this pressure has been offset by additional UASC income.

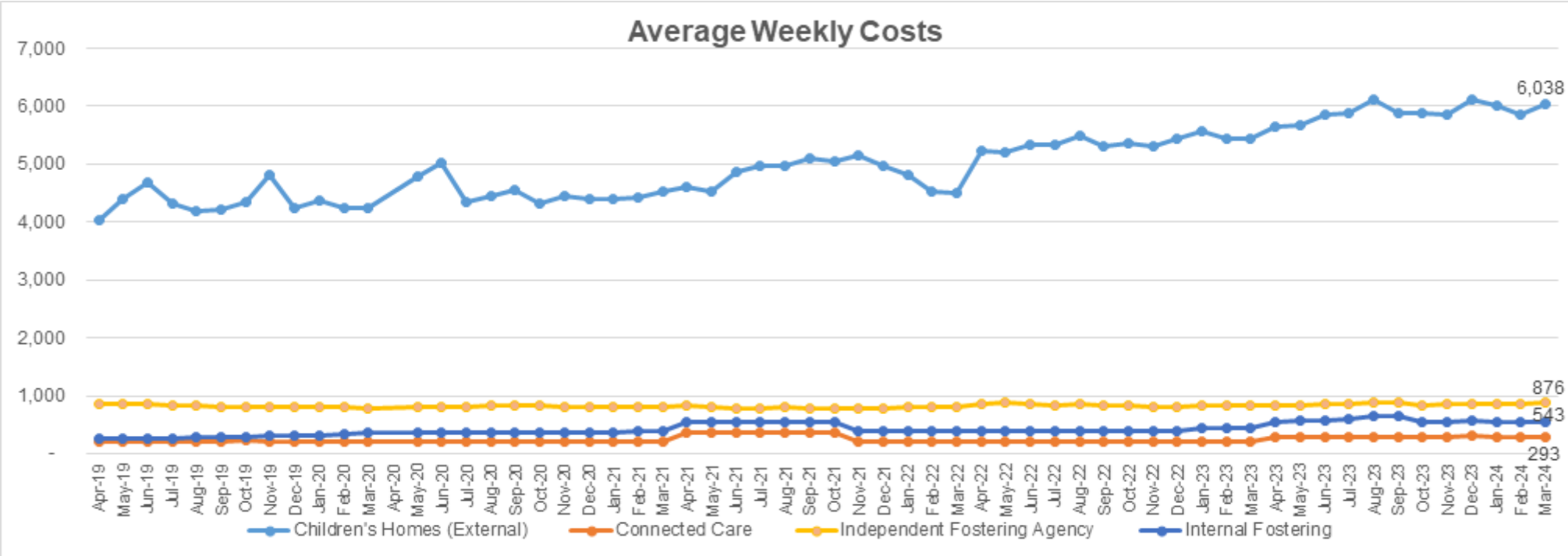
This has been further impacted by a reduced number of children leaving care compared to the prior three financial years. As at the end of March, there has been 94 C&YP leave care, in comparison to 103 in 2022/23, 95 in 2021/22 and 96 in 2020/21. To note, this excludes those that have turned 18 as the financial impact of these have been considered within the forecast and budget.

This increased net inflow/ outflow and change in reliance of placement types is over and above the trends that have been seen in prior years, and the allocated inflow/ outflow budget, and has therefore created a pressure to date of £2.44m. This pressure has been partially offset by corporate reserves of £750k.

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

needs can be met at the earliest opportunity. The increased inflow pressure has also been impacted through continued increases to the average weekly cost.

The chart below shows the average weekly cost of the four most utilised placement types for Walsall’s CiC. The average weekly cost for an external residential placement has significantly increased from £4k to £6k (49%) over the last 4 financial years, and from £5.6k 12 months ago. This is significantly higher than the average weekly cost of an Internal Fostering placement of £543 p/w and Connected Care placement of £293 p/w.



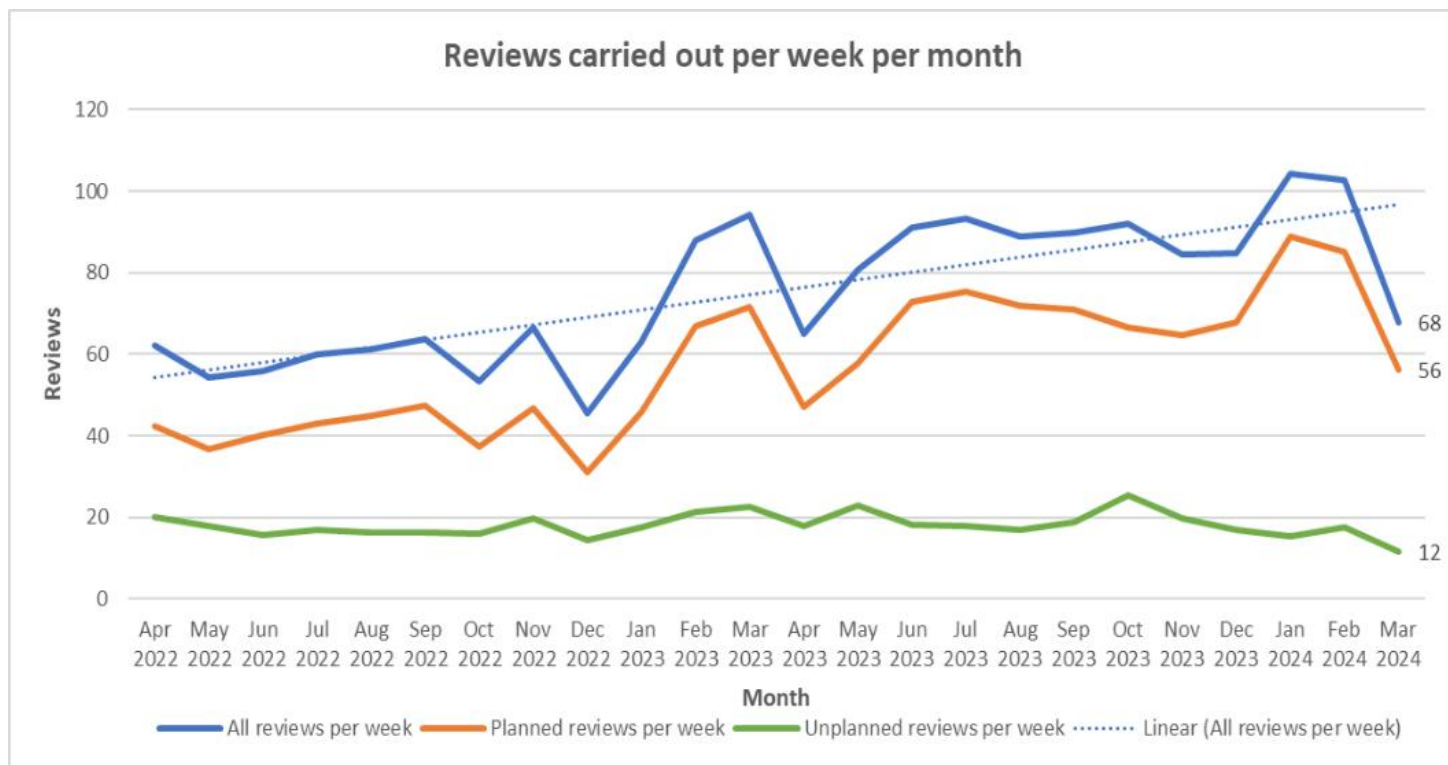
In recognition of the financial impacts above, the service has focussed on stepping C&YP down to lower cost placements where possible. To date there has been 134 placement step downs with further step downs planned for the remainder of the financial year. These cost reductions have reduced the impact of the placement breakdowns and step ups seen to date, which have been financially heightened due to the placement sufficiency issues described above.



## Appendix 8 – Performance data relating to demand within Adult Social Care

### Reviews

Service users should receive a minimum of one planned review in a 12-month period, additionally unplanned reviews take place for several reasons. The rate of average weekly reviews in February 2024 was 103, compared to 88 in February 2023. The rate dipped in March 2024 to 68, compared to 94 in March 2023, but it has been consistently higher since February 2023 as shown in the graph below.



For further information, in February - March 2023 75.9% of reviews were planned and in February - March 2024 82.9% were planned.

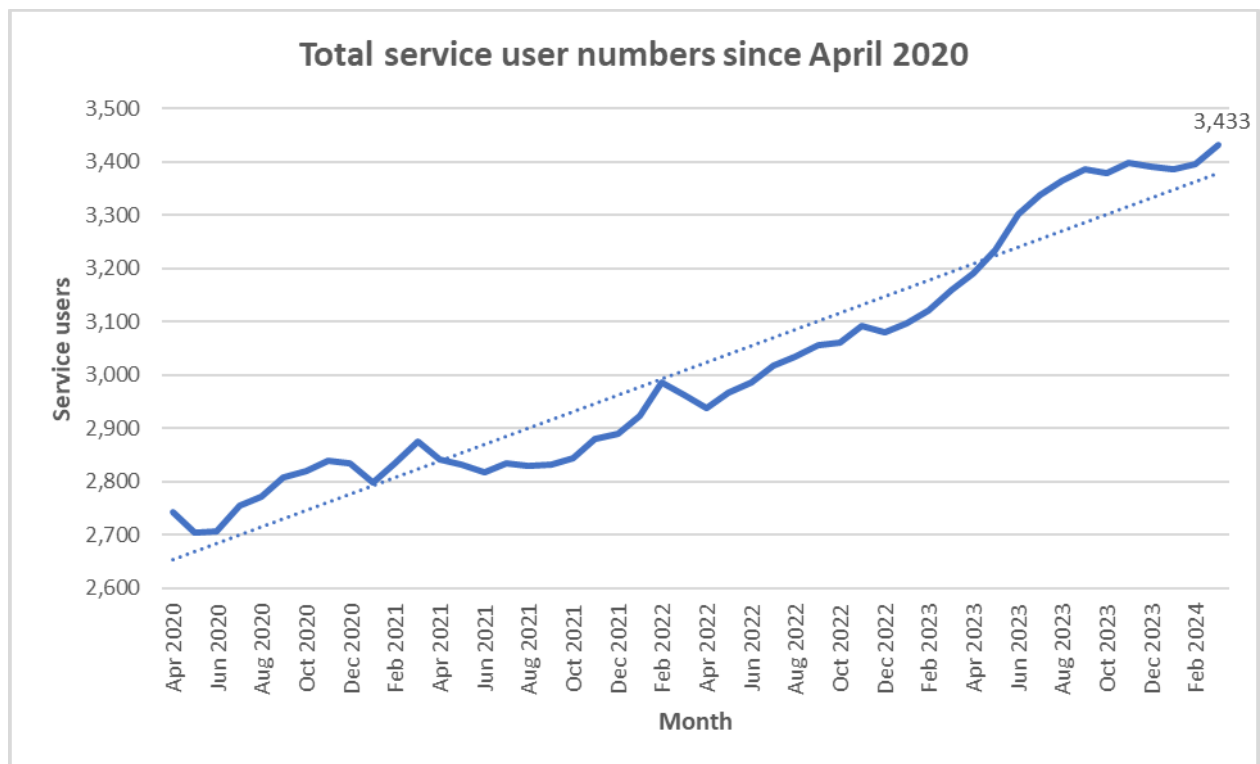
A piece of work is currently underway to assess the impact of reviews in the current year. Previously reported figures were based on data held within a performance dashboard but there is some doubt about the validity of that information. This dashboard has now been revised and is under review. In the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

### Service User Numbers

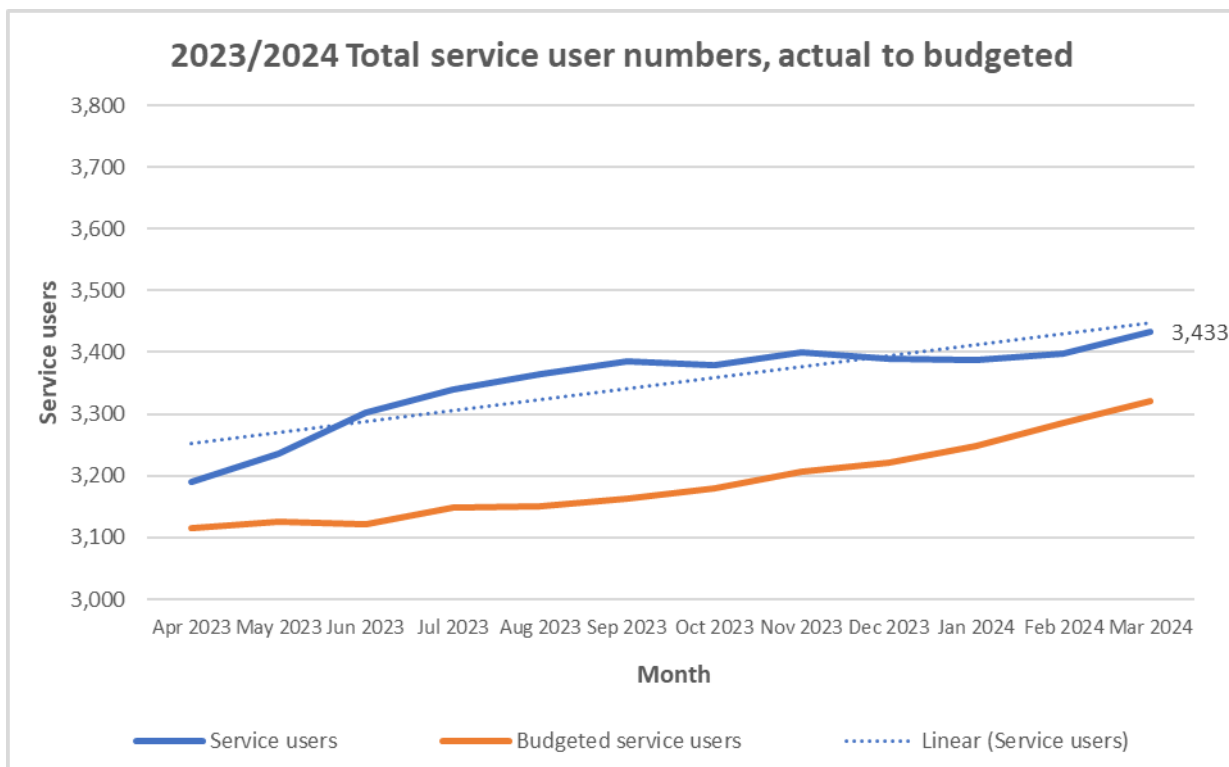
	Budgeted (Apr to Mar)			Actual (Apr to Mar)			Variance (Apr to Mar)		
	Number	TOTAL	Average cost	Number	TOTAL	Average cost	Number	TOTAL	Average
New service users	1,589	21,407,831	13,473	1,749	27,119,656	15,506	160	5,711,825	
Deceased service users	(769)	(9,604,933)	12,490	(605)	(9,025,787)	14,919	164	579,146	
Ended service users	(639)	(10,148,985)	15,883	(837)	(9,423,345)	11,258	(198)	725,640	
<b>TOTALS</b>	<b>181</b>	<b>1,653,913</b>		<b>307</b>	<b>8,670,524</b>		<b>126</b>	<b>7,016,611</b>	

The table shows that the number of new service users on 31<sup>st</sup> March 2024 is 160 higher than had been budgeted, based on historical trends. There are 164 less client deaths than budgeted, though there are 198 more ended users than budgeted. Overall, there are 126 more service users in receipt of care than budgeted. Average new user costs have been higher than budgeted, whilst average ended user savings have been lower than budgeted.

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







The above graph shows that the difference between budgeted number of clients and actual clients peaked in September 2023.

### **Average costs**

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

The two lower cost settings are domiciliary care and direct payments, and these are the two reporting the most stable average costs with a 2.11% and 2.45% increase, respectively.

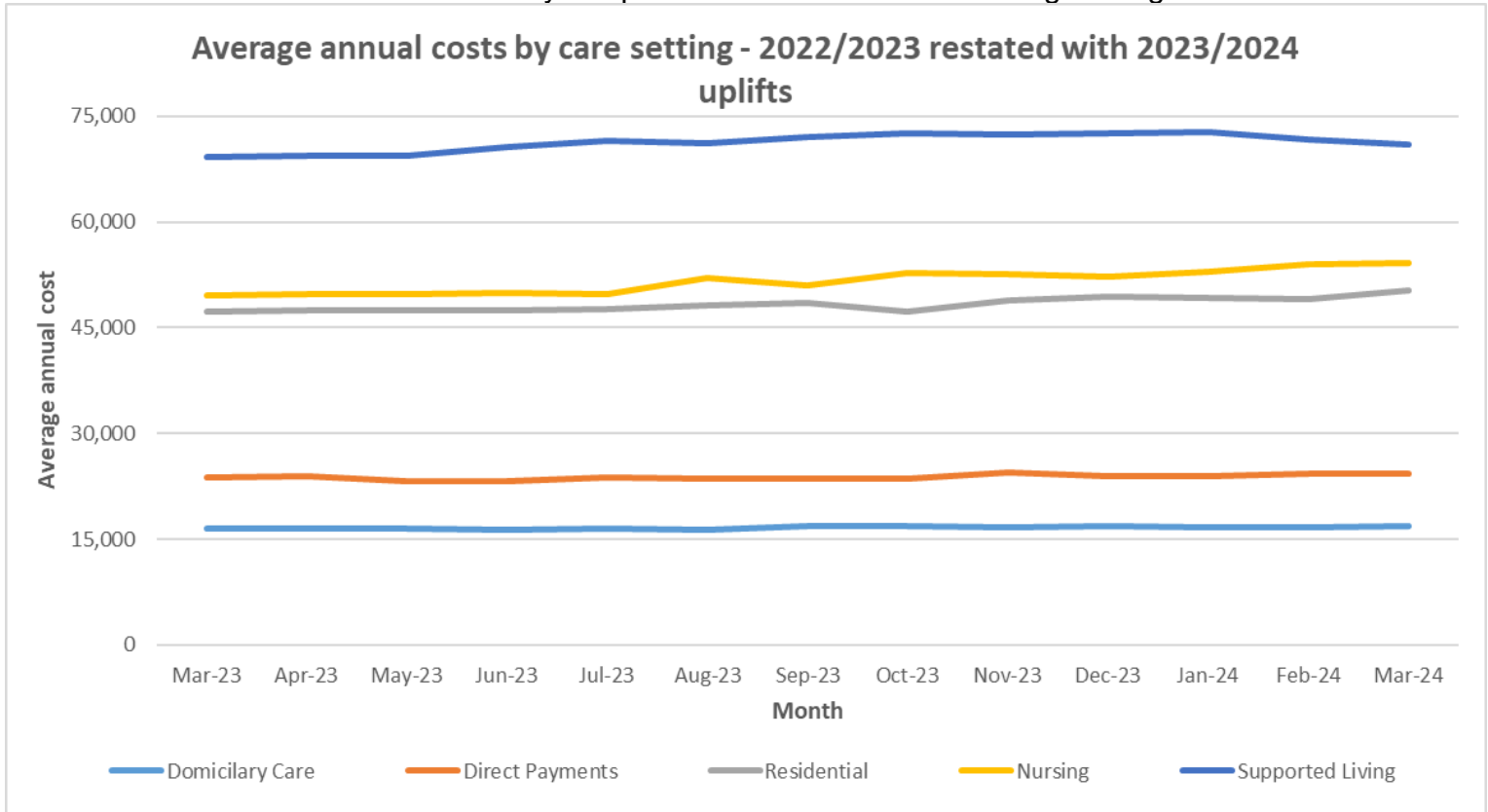
Conversely, the higher cost settings are residential and nursing care (shown as separate lines) and supported living. Residential and nursing care show the largest increase in average costs at 6.55% and 9.45%, respectively. However, the overall year-on-year increase for supported living is only 2.37%.

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

These increases are likely to be due to several factors.

- The effect of increases following review
- Prices pressures from new residential and nursing placements
- Possible increase due to fewer service users leaving care, these are generally the higher cost packages and placements due to increased

length of care, complexity, and cost, with fewer of these there is the likelihood that they are part of the reason for increasing average costs.



Care Setting	Mar 2023	Mar 2024	Change £	Change %
Domiciliary Care	16,437	16,784	347	2.11%
Direct Payments	23,689	24,269	580	2.45%
Residential	47,275	50,371	3,096	6.55%
Nursing	49,517	54,198	4,681	9.45%
Supported Living	69,271	70,914	1,643	2.37%

## Appendix 9 Financial Health Indicators at 31 March 2024

<b>Treasury Management</b>	<b>2022/23 Actual</b>	<b>2023/24 Target</b>	<b>2023/24 Actual</b>
Average Interest Rate (Borrowing)			
- Excluding other local authorities	3.82%	4.21%	4.13%
- Including other local authorities	3.87%	4.33%	4.16%
Gearing Effect on Capital Financing Estimates	3.81%	5.00%	4.20%
Net Borrowing Costs / Council Tax Requirement and NNDR contribution	7.21%	12.50%	1.55%
Capital Financing Requirement (£m)	390.19	433.114	399.719
Authorised limit for external Debt (£m)	474.38	465.410	465.410
Investment Rate Average (excl Property fund)	1.81%	3.48%	4.94%

<b>Balance Sheet Ratios</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24 (draft)</b>
Current Assets: Current Liabilities	2.39	2.01	1.96	1.74	1.86
Useable Reserves: General Revenue Expenditure	0.73	1.02	1.07	0.77	0.85
Long Term Borrowing: Tax Revenue (Using both council tax and NNDR for tax revenue)	1.43	1.83	1.49	1.19	1.15
Long Term Assets: Long Term Borrowing	1.86	1.83	2.14	2.73	2.72
Total School Reserves: Dedicated School Grant	0.05	0.08	0.08	0.06	0.07

<b>Revenues Performance</b> % collected for financial year	<b>2021/22 Actual Collected in total as at 31.03.24</b>	<b>2022/23 Actual Collected in total as at 31.03.24</b>	<b>2023/24</b>	
			<b>Profiled 2023/24</b>	<b>Actual 2023/24</b>
Council tax %	96.0%	95.2%	92.3%	92.3%
Total Council Tax collected	£147,031,065	£151,343,647	£153,200,000	£153,193,801
National Non Domestic Rate (NNDR) %	98.0%	97.8%	97.5%	96.9%
Total NNDR collected	£59,542,885	£69,979,035	£68,700,000	£68,261,324

<b>Debtors and Creditors Performance</b>	<b>2022/23 Actual</b>	<b>2023/24</b>	
		<b>Target</b>	<b>Actual</b>
Sundry Debtors Collection – Average number of days to collect debt	25 days	24 days	25 days
Average number of days to process creditor payments*	6.5 days	8 days	5 days

<b>Management of Resources</b>	<b>2023/24</b>
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<b>Service Analysis</b>	<b>Target</b>	<b>Actual</b>	<b>Variance</b>
Adult Social Care, Public Health and Hub	76,864,476	90,266,195	13,401,719
Children's Services			
- Children's and Education	81,704,822	87,462,134	5,757,312
- Customer Engagement	12,147,505	12,693,031	545,526
Economy and Environment	45,613,075	44,668,154	(944,921)
Resources and Transformation	50,925,395	50,489,250	(436,145)
Council Wide	(5,546,678)	(9,777,391)	(19,179,688)
NNDR/Top Up	(117,545,553)	(117,545,553)	0
<b>Total Net Revenue Expenditure</b>	<b>144,163,042</b>	<b>158,255,820</b>	<b>(856,198)</b>
General Reserves	N/A	19,558,671	N/A
Council Funded Capital Expenditure	60,253,122	26,407,323	(33,845,799)
External Funded Capital Expenditure	84,040,016	64,349,023	(19,690,993)
<b>Total Capital Expenditure</b>	<b>144,293,138</b>	<b>90,756,346</b>	<b>(53,536,792)</b>
Capital Receipts	2,925,000	2,253,067	(671,933)

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

External Funded Capital Expenditure	138,982,534	61,696,354	(77,286,180)
<b>Total Capital Expenditure</b>	<b>234,637,708</b>	<b>95,442,564</b>	<b>(139,195,144)</b>
Capital Receipts	2,500,000	2,174,164	(325,836)

### What this tells us

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

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

<b>Revenues Performance</b>	
<b>% Collected for Financial Year</b>  Council Tax (%)	As a percentage the amount of council tax we collected during the financial year that runs from 1 April – 31 March. We collect council tax after the year that its related to, but this won't be included in this figure
National Non Domestic Rate (%)	As a percentage the amount of Business rates we collected during the financial year that runs from 1 April – 31 March. We collect council tax after the year that it related to.
Total Council Tax Collected (£m)	This tells us the amount of council tax we collected during the financial year that runs from 1 April – 31 March. We collect council tax after the year that it relates to, but this won't be included in this figure.
Total NNDR Collected (£m)	This tells us the amount of Business Rates we collected during the financial year that runs from 1 April – 31 March. We collect council tax after the

	year that it relates to, but this won't be included in this figure.
Sundry Debtors Collection 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 10 - Prudential Indicators as at 31<sup>st</sup> March 2024

Prudential Indicator		Actual 2022/23 £m	Target 2023/24 £m	Actual Position at 31- March-24 £m	Variance to target	
					Numerical Variance	% Variance
Prl 1	<b>Capital Expenditure</b>	96.314	144.290	<b>90.760</b>	-53.53	-37%
This indicator is required to inform the council of capital spending plans, it is the duty of a local authority to determine and keep under review the amount that it can afford to allocate to capital expenditure. Capital expenditure may be funded by grant, capital receipts and borrowing.						



<b>Pr1 2</b>	<b>Ratio of financing costs to net revenue stream</b>	<b>4.05%</b>	8.86%	<b>4.88 %</b>	-3.98	-45%
<b>Financing costs - Divided by</b> (Interest charged on loans Less Interest earned on investments)		<b>Budget requirement</b> (Revenue Support Grant + NNDR +Council Tax)			<b>The ratio of financing costs to net revenue stream (General Fund) as a %</b>	
<b>Pr1 3</b>	<b>Estimates of the incremental impact of new capital investment decisions on Council Tax</b>	<b>£43.02</b>	£89.66	<b>£89.66</b>	0.00	0%
This is a notional amount indicating the amount of council tax band D that is affected by the capital programme in the budget report compared to existing approved commitments and current plans.						
<b>Pr1 4</b>	<b>Capital Financing Requirement</b>	<b>390.185</b>	433.114	<b>433.114</b>	0.00	0%
This represents the underlying level of borrowing needed to finance historic and future capital expenditure. It is updated at end of the financial year.						
<b>Pr1 5</b>	<b>Authorised Limit for external debt</b>	<b>474.380</b>	465.410	<b>465.410</b>	0.00	0%
The council may not breach the limit it sets, so it is important to allow prudent room for uncertain cash flow movements and borrowing in advance of future need.						
<b>Pr1 6</b>	<b>Operational Limit for external debt</b>	<b>431.250</b>	423.100	<b>423.100</b>	0.00	0%
This has been set at the level of the capital financing requirement less the CFR items relating PFI and finance leases.						
<b>Pr1 7</b>	<b>Gross Borrowing exceeds capital financing requirement</b>	<b>No</b>	<b>No</b>	<b>No</b>		
The CFR represents the underlying level of borrowing needed to finance historic capital expenditure. Actual net borrowing should be lower than this because of strong positive cash flow and balances. It would be a cause for concern if net borrowing exceeded CFR.						
<b>Pr1 8</b>	<b>Authority has adopted CIPFA Code of Practice for Treasury Management</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>		
To ensure that treasury management activity is carried out within best professional practice.						
<b>Pr1 9</b>	<b>Total principle sums invested for longer than 364 days must not exceed</b>	<b>5.0</b>	<b>25.0</b>	<b>0.0</b>		
The council is at risk when lending temporarily surplus cash. The risk is limited by investing surplus cash in specified investments and by applying lending limits and high credit worthiness. These are kept under constant review.						
<b>Prudential Indicator continued</b>			<b>Upper Limit</b>	<b>Lower Limit</b>	<b>Actual 2022/23</b>	<b>Actual Position at 31-March-2024</b>

Prl 10	Fixed Interest Rate Exposure	95.00%	40.00%	<b>98.14%</b>	<b>88.03%</b>
Prl 11	Variable Interest Rate Exposure	45.00%	0.00%	<b>1.86%</b>	<b>11.97%</b>
Prl 12	<b><i>Maturity Structure of Borrowing</i></b>				
	Under 12 months	25.00%	0.00%	<b>12.84%</b>	<b>12.85%</b>
	12 months and within 24 months	25.00%	0.00%	<b>12.24%</b>	<b>3.95%</b>
	24 months and within 5 years	40.00%	0.00%	<b>20.25%</b>	<b>24.69%</b>
	5 years and within 10 years	50.00%	5.00%	<b>0.00%</b>	<b>0.00%</b>
	10 years and above	85.00%	30.00%	<b>54.67%</b>	<b>58.51%</b>

## Local Indicators as at 31<sup>st</sup> March 2024

Local Indicators		Actual 2022/23	Target 2023/24	Actual Position as at 31-March- 2024	Variance to target		Met
					Numerical Variance	% Variance	
L1	Full compliance with prudential code	Yes	Yes	Yes	-	-	Y
L2	Average length of debt	17.13	Lower Limit 15 years, Upper limit 25 years	17.74	-	-	Y
This is a maturity measure and ideally should relate to the average lifespan of assets.							
L3a	Financing costs as a % of council tax requirement	10.64%	20.00%	2.31%	-17.69	-88.43%	Y
L3b	Financing costs as a % of tax revenues	7.21%	12.50%	1.55%	-10.95	-87.63%	Y
<p>These are a variation to PrI 3 excluding investment income and including MRP (amount set aside to repay debt costs). The target figure of 12.5% represents an upper limit of affordable net borrowing costs as a percentage of tax revenues for the authority. The actual level of net borrowing costs is currently less than the upper limit, which in the main is linked to the work undertaken by the service to seek to secure favorable rates on investments and reduced costs on borrowing, thus reducing the overall net borrowing costs.</p>							
L4	Net actual debt vs. operational debt	61.42%	85.00%	58.61%	-26.39	-31.04%	Y
This assists the monitoring of the authority's debt position.							
L5	Average interest rate of external debt outstanding excluding OLA	3.82%	4.21%	4.13%	0.08	2.02%	Y
L6	Average interest rate of external debt outstanding including OLA	3.87%	4.33%	4.16%	0.17	3.82%	Y
The measure should be as low as possible. Other Local Authority debt (OLA) is managed on our behalf by Dudley council.							

L7	<b>Gearing effect of 1% increase in interest rate</b>	<b>3.81%</b>	5.00%	<b>4.20%</b>	<b>0.04%</b>	<b>This would increase the average interest rate payable from 4.16% shown in L6 to 4.20%</b>	<b>Y</b>
This relates risk management principles to the monitoring of the TM strategy. It measures the effect of a change in interest rates and the effect it may have on the capital financing costs.							
L8	<b>Average interest rate received on STI vs. At Call rate</b>	<b>-11.22%</b>	35.00%	<b>1.02%</b>	-33.98	-97.10%	<b>N</b>
L9a	<b>AT call investments</b>	<b>2.05%</b>	2.50%	<b>4.92%</b>	2.42	96.80%	<b>Y</b>
L9b	<b>Short Term Investments</b>	<b>1.82%</b>	3.75%	<b>4.97%</b>	1.22	32.53%	<b>Y</b>
L9c	<b>Long Term Investments</b>	<b>0.83%</b>	4.00%	<b>5.00%</b>	1.00	25.00%	<b>Y</b>
L9d	<b>Property Fund Investments</b>	<b>3.89%</b>	3.56%	<b>4.47%</b>	0.91	25.56%	<b>Y</b>
L10	<b>Average interest rate on all ST investments (ST and AT call)</b>	<b>1.89%</b>	3.39%	<b>4.94%</b>	1.55	45.86%	<b>Y</b>
L11a	<b>Average rate on all investments (ex. Property fund)</b>	<b>1.81%</b>	3.48%	<b>4.94%</b>	1.46	42.04%	<b>Y</b>
L11b	<b>Average rate on all investments (inc. property fund)</b>	<b>2.11%</b>	4.54%	<b>4.83%</b>	0.29	6.47%	<b>Y</b>
L12	<b>% daily bank balances within target range</b>	<b>99%</b>	99%	<b>99%</b>	0.00	0.00%	<b>Y</b>
This measures how good our daily cash flow prediction is. A figure of 98% and above indicates a high level of accuracy.							