

Cabinet – 8 February 2023

Corporate Budget Plan 2023/24 to 2026/27, incorporating the Capital Strategy; and the Treasury Management and Investment Strategy 2023/24

Portfolio: Councillor M.A. Bird – Leader of the Council

Related Portfolios: All

Service: Finance – council wide

Wards: All

Key decision: Yes

Forward plan: Yes

1. Aim

- 1.1 To provide the revenue and capital resource envelope for delivery of the council's aims and objectives and ensure that the statutory framework is met by recommending the statutory determinations (gross expenditure and income and council tax requirement for the year) and council tax bands, the capital programme and the Treasury Management and Investment Strategy to Full Council for approval.

2. Summary

- 2.1 This report contains several sections as follows:

Section A for Cabinet approval - Findings from Budget Consultation: Financial Year 2023/24+ and Cabinet Responses. This section is for Cabinet's consideration and approval:

- **Part 1** - Report on findings from Overview and Scrutiny Committees.
- **Part 2** - Report on findings from budget consultation.
- **Part 3** - Report on outcomes of equality impact assessments.

Section B for Cabinet approval and recommendation to Council consists of:

- **Part 1** - The Revenue Corporate Budget Plan and Capital Programme; comprising the final revenue and capital budget following consideration of consultation feedback and equality impact assessment by Cabinet. This also includes the Capital Strategy and the Flexible Use of Capital Receipts Strategy.
- **Part 2A** - Treasury Management and Investment Strategy as required by the Treasury Management Code of Practice (2017). It includes details on the

Prudential Code Indicators (PCIs) for the next three years and asks Cabinet to approve them and recommend adoption of these to full Council. The Strategy both complies with the Local Government Act 2003, and also provides an additional framework over and above the statutory minimum for monitoring performance.

- **Part 2B** - Treasury Management Policy Statement as required by the Treasury Management Code of Practice (2017).

3. Recommendations

3.1 That Cabinet note:

- a) That at the time of despatch of this report, the final local government settlement for 2023/24 has not been received. Any changes arising from this will be included within the final papers to Council.
- b) That at the time of despatch of this report, the precepting authorities (fire and police) had not formally notified the authority of their final council tax precept levels for 2023/24. Draft figures have been included. Final figures will therefore be provided prior to or at the Council meeting of 23 February 2023 should they change.
- c) That at the time of despatch of this report, the levy authorities, (Environment Agency and West Midlands Combined Authority - Transport Levy) had not formally notified the authority of their final demand for 2023/24. Estimates have been used for the Transport Levy based on informal communication. (The final Transport Levy is expected to be approved early February and will be included within the final papers to Council).
- d) That the council tax base, set by the S151 Officer under officer delegations, is 72,608.66 for 2023/24.
- e) The feedback from Overview and Scrutiny Committees on the draft revenue budget and capital programme and responses to recommendations, as set out in **Section A - Part 1** of this report, and general consultation feedback.
- f) The amendments to the revenue budget arising from the provisional settlement, including changes to the savings proposals identified since the December Cabinet report, as set out in section 4.27.
- g) That Members must have due regard to consultation feedback and the public sector equality duty (Section 149 of the Equality Act 2010) when making budget decisions.

3.2 That Cabinet approve:

- a) The attached report as set out in **Section A - Part 2 and Part 3**: The Findings from Budget Consultation: Financial Year 2023/24+ and Cabinet responses and that Members have had regard to their duties in relation to consultation, and in relation to the public sector equality duty, in forming their budget recommendations.

- b) That delegated authority be given to the S151 Officer to make any necessary amendments, after consultation with the Leader (Portfolio Holder for Finance), to take account of the final local government settlement, final levies and precepts, final grant allocations and final technical guidance or legislation on the budget; and to make any necessary amendments to the statutory determinations and council tax bands to take account of those changes and the resulting final analysis of the budget and for these amendments to be submitted and therefore recommended to Council at its meeting on 23 February 2023, after consultation with the Portfolio Holder for Finance (Leader of the Council).
- c) Approve the policy service changes as set out in section 4.30, Table 1 of this covering report.
- d) That delegated authority be given to the S151 Officer, after consultation with the Leader of the Council and Chief Executive, to agree the council's final contribution to the West Midlands Combined Authority.

3.3 **Cabinet is asked to approve and recommend to Council, subject to receipt of the final local government settlement, final precepts and levies, receipt of final grant allocations, technical/legislative guidance and final specific grant allocations (*substitute figures and resolution to be provided to Council by the S151 Officer to take account of any changes arising from these*) the following:**

3.3.1 Revenue

- a) The financial envelope of resources for 2023/24 as set out in **Section B - Part 1** "The Revenue Corporate Budget Plan and Capital Programme".
- b) A Walsall Council net council tax requirement for 2023/24 of £144.16m and a 2.99% increase in council tax.
- c) That the recommendations of the S151 Officer in respect of the robustness of the estimates made for the purposes of the budget calculations and the adequacy of reserves **be approved**, including the levels of central contingency and an opening general reserve of not less than £16.12m, as set out in the S151 Officer Section 25 statement in **Annex 11** of the Budget Plan.
- d) The (estimated) levies below for outside bodies and Cabinet **approve** that the final figures **be substituted** for these provisional ones once they are available at the Council meeting on 23 February 2023. (An estimate has been used within this report based on informal notification from the authorities).

LEVY	AMOUNT (£)
West Midlands Combined Authority Transport Levy	11,614,200
Environment Agency	85,178

- e) The following statutory determinations (references are to the Local Government Finance Act, 1992 as amended), and subject to any final changes arising from receipt of final precepts and levies, receipt of final grant allocations, technical/legislative guidance and final specific grant allocations, **and Cabinet approve that these will be substituted** at the Council meeting on 23 February

2023 for the final figures once received:

- I. **£721,685,138** being the aggregate gross expenditure, which the council estimates for the items set out in Section 31A(2) (a) to (f) of the Act.
- II. **£577,522,096** being the aggregate income which the council estimates for the items set out in Section 31A(3) (a) to (d) of the Act.
- III. **£144,163,042** being the amount, by which the aggregate at (e) (I) above exceeds the aggregate at (e) (II), calculated by the council in accordance with Section 31A(4) of the Act, as its council tax requirement for the year.
- IV. **£1,985.48** being the amount at (e) (III) above, divided by the council tax base of 72,608.66, calculated by the council in accordance with Section 31B of the Act, as the basic amount of its council tax for the year (average council tax at band D).

V. Valuation bands

Being amounts given by multiplying the amount at (e) (IV) above by the number which, in the proportion set out in Section 5 (1) of the Local Government Act 1992, is applicable to dwellings listed in valuation band D, calculated by the council in accordance with Section 30 and 36 of the Act as the amounts to be taken into account for the year in respect of categories of dwelling listed in different valuation bands.

A	B	C	D
1,323.65	1,544.26	1,764.87	1,985.48
E	F	G	H
2,426.70	2,867.92	3,309.13	3,970.96

- f) The draft precept from the Fire and Rescue Authority and the Police and Crime Commissioner, issued to the Council in accordance with Section 40 of the Local Government Finance Act, 1992, for each of the categories of dwelling shown below and Cabinet **approve** that the final figures **be substituted** once they are available at the Council meeting on 23 February 2023.

PRECEPTING AUTHORITY	VALUATION BANDS			
	A	B	C	D
Police And Crime Commissioner	135.03	157.54	180.04	202.55
	E	F	G	H
	247.56	292.57	337.58	405.10
Fire & Rescue	A	B	C	D
	48.68	56.79	64.90	73.02
	E	F	G	H
	89.24	105.47	121.69	146.03

- g) That having calculated the aggregate in each case of the amounts at (e) (v) and (f) above, the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, hereby sets the amounts of council tax for 2023/24 for each of

the categories of dwellings shown below and Cabinet **approve** that the final figures **be substituted** once the final precepts are available at the Council meeting on 23 February 2023.

A	B	C	D
1,507.36	1,758.59	2,009.81	2,261.05
E	F	G	H
2,763.50	3,265.96	3,768.40	4,522.09

- h) That notice **be given** of the council tax within twenty one days of it being set by publishing details of the same in the “Express and Star” newspaper circulating in the Authority’s area.
- i) That the S151 Officer **be instructed** to take all necessary action in relation to council tax, community charge and national non-domestic rates, including, where appropriate, the signing of all documents, billing, the giving of notices and the taking of necessary steps to ensure collection thereof.
- j) That the S151 Officer **be given delegated authority** to make transfers to and from reserves in order to ensure that reserves are maintained as necessary and in particular, adjusted when reserves are no longer required, or need to be replenished.
- k) That, pursuant to Section 52ZB and 52ZC of the Local Government Finance Act 1992, the relevant basic amount of council tax for the Council is not excessive in relation to determining whether a referendum is required.

3.3.2 Capital

- a) The allocation of capital expenditure plans as set out in **Section B - Part 1** “The Revenue Corporate Budget Plan and Capital Programme” and that the capital and leasing programme as set out in **Annex 9 be approved** bearing in mind the principle that unless affordable from within current resources, specific projects funded by borrowing will not be commenced until a payback agreement is in place. Schemes funded from grant will commence when final allocations are published.
- b) That the S151 Officer be **given delegated authority** to determine how each source of finance is used to fund the overall capital programme and to alter the overall mix of financing as necessary, to maximise the flexibility of capital resources used and minimise the ongoing costs of borrowing to the council.
- c) That the S151 Officer, after consultation with the Leader (Portfolio Holder for Finance), be **given delegated authority** to release capital resources held back for any contingent items that may arise (earmarked capital receipts for essential or emergency spend), and also for any match funding requirements that may be required of the council in order to secure additional external capital funding (e.g. bids for government or other funding).
- d) The Capital and Investment Strategy set out in **Annex 8** of the Budget Plan **be approved**.

- e) The Flexible Use of Capital Receipts Strategy set out in **Annex 10** of the Budget Plan **be approved**.

3.3.3 Treasury Management

1. **Section B – Part 2A** – The Treasury Management and Investment Strategy 2023/24 onwards, including the council’s borrowing requirement, borrowing limits, and the adoption of prudential indicators, **be approved**.
2. That decisions to effect movements between conventional borrowing and other long term liabilities, such as leases, **be delegated** to the S151 Officer.
3. That decisions to use capital receipts or borrowing within the framework of approved prudential indicators **be delegated** to the S151 Officer.
4. **Section B – Part 2B** – Treasury Management Policies, **be approved**.

4. Report detail - Know

- 4.1 The council’s budget is a financial representation of the organisation’s plans. It is constructed as an integral part of the council’s planning processes and aligned to its priorities and objectives. The attached Budget Plan at **Section B Part 1** sets out the revenue and capital plans for service delivery for 2023/24 and beyond.

Council Corporate Plan priorities

- 4.2 The budget is the financial plan supporting delivery of the organisation’s key objectives and priorities. The budget process is a four year cycle, updated annually, aiming to support delivery of council priorities and outcomes within the available resources. It aims to achieve this through the delivery of efficiencies, income commercialisation reviews, and service reviews and redesign to redirect existing and reducing resources to areas of high council priority in order to deliver the council’s outcomes. This budget has been prepared using the council’s high level purpose and priorities as outlined in the council’s currently approved Council Plan.

Risk management

- 4.3 Budget Plan: The council reviews corporate financial planning and budget principles in accordance with the medium term financial framework (MTFF). The budget setting process includes a comprehensive financial risk assessment to determine key risks and their impact on the budget. Services undertake risk assessments of their services and budgets by identifying risk factors, potential changes to service delivery and funding streams. This ensures that adequate budgetary provision is available to cover unforeseen future events. This successful approach is now embedded and is used to inform the level of earmarked and general reserves.
- 4.4 The identification of risks, and level of reserves, is referred to in the S151 Officer (Chief Finance Officer) **Section 25 statement** at **Annex 11** of the Budget Plan. It is unlikely that all risks identified will arise, however new risks may also emerge. Managers are required to deliver services within their approved budget. Any known changes in service demand or costs arising from legislative or government demands are identified and dealt with within the overall revenue budget. The level of reserves

should be sufficient to cover all but the most unusual of events. Any in-year use of general reserves may require replenishment to ensure the opening level of reserves is as recommended by the MTFF.

- 4.5 A number of our programmes and projects are heavily influenced and dependent upon process and governance at the West Midlands Combined Authority (WMCA), for example our named projects in the City Region Sustainable Transport Settlement (CRSTS) and UK Shared Prosperity Fund (UKSPF). On 16 December 2022, a WMCA Board report highlighted cost pressures arising from transport schemes due to scope changes, construction challenges and inflation. Whilst the cost pressure relating to three inflight schemes totalling £17.8m were approved to be mitigated by use on an un-ringfenced capital grant (Transforming Cities Fund), a number of cost escalation 'early warnings' were also flagged which could equate to a further £153m. Whilst the WMCA expects that this maximum exposure can be mitigated to £85.9m subject to the effectiveness of specific mitigations WMCA intend to deploy, the report asked members to note and accept the risk that in a worst-case scenario where no funding alternatives can be identified or costs avoided, a levy increase or corresponding transport budget savings to the value of circa £11m to £20m would be required. This risk will be continually monitored by transport officers and via the WMCA S151 Finance Director group.
- 4.6 On 14 December 2022 a UKSPF report to our Cabinet highlighted that a greater share of SPF business funding will now be delivered through Local Authorities than was originally proposed, meaning that in 2023/24 the Council will be required to cashflow spend of up to £1m and claim from the WMCA in arrears. While this funding is fully reflected in the Investment Plan agreed with Government, formal spending allocations are annual and there is a theoretical risk that any funding spent at risk by local authorities in 2023/24 might not be reimbursed. It is proposed that this be considered and agreed through delegated authority as part of the ongoing financial discussions between Walsall Council and WMCA.

Financial implications

- 4.7 The council must set a balanced budget to meet its legal requirements as set out under 'legal implications'. This report fulfils that duty and proposes cash limits for services to enable them to deliver the council's key priorities.

Legal implications

- 4.8 The legal duty for a council's finances falls within S151 of the Local Government Act 1972. Arrangements for the proper administration of the council's affairs are secured by the S151 Officer.
- 4.9 Cabinet recommend the revenue budget and capital programme envelope to Council. Councils are responsible for making a calculation in accordance with sections 31A to 37 of the Local Government Finance Act 1992 (as amended). This includes the statutory determinations (aggregate gross expenditure, gross income, council tax requirement for the year and setting the council tax for a financial year).
- 4.10 Under the Local Government Act 2003 (s25), an authority must set a council tax and balanced budget, giving 14 days' notice of the council tax level prior to the date of billing. The Council must set a budget before 11 March of each year. This will include

the S151 Officer's Section 25 statement that deals with the robustness of the budget estimates and the adequacy of the reserves for which the budget provides, together with an assessment of risk. This is provided at **Annex 11** of the Budget Plan.

- 4.11 The Local Government Act 2003 and supporting Regulations require the Council to have regard to the Prudential Code and to set prudential indicators for the next three years to ensure that the council's capital investment plans are affordable, prudent and sustainable. The Act requires the Council to set out its Treasury Strategy for borrowing and to prepare an Annual Investment Strategy (as required by investment guidance issued subsequent to the Act); this sets out the council's policies for managing its investments and for giving priority to the security and liquidity of those investments. This is provided at **Part 2** of the Budget Plan.
- 4.12 In recent years Central Government has capped the level of council tax rises. For 2023/24, the Government have announced that local authorities will again need to seek approval of their electorate via a local referendum if they propose to increase council tax levels by 5% or above as confirmed as part of the provisional local government settlement on 19 December 2022, inclusive of the 2% ring-fenced for Adult Social Care. This report proposes a 2.99% increase.
- 4.13 Section 138 of the Local Government and Public Involvement in Health Act 2007 placed a general duty on every local authority in England to take such steps as it considers appropriate to secure that representatives of local persons (or of local persons of a particular description) are involved in the exercise of any of its functions, among other things by being consulted about the exercise of the function. The duty to consult that is imposed on councils comes from two other sources:
- Specific legislation, such as the education act duties to consult on certain services etc., and,
 - The common law duty, which is well established in law.
- 4.14 Our approach to consultation was reported to Cabinet in December 2022 and feedback is provided in **Section A - Part 2** of this report.
- 4.15 The 2010 Equality Act, whilst not imposing a specific duty to consult, lays a requirement to have due regard to the equality impact when exercising its function. As a public body, the council is required to comply with the Public Sector Equality Duty (PSED), as set out in the Equality Act, 2010. The PSED requires the council to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities. Failure to meet these requirements may result in the council being exposed to costly, time-consuming and reputation-damaging legal challenges.
- 4.16 An Equality Impact Assessment (EqIA) is the chosen procedure, by the council, for checking the lawfulness of decisions in relation to the impact on people with certain characteristics protected by the Equality Act 2010. Equality Impact Assessment analysis is contained in **Section A - Part 3** of this report.
- 4.17 Saving plans, prior to implementation, will include consideration of equality impact, legislative and other requirements, duties or obligations imposed by statute, secondary legislation or guidance upon the council, specifically in the context of proposals which involve changes to service provision.

Procurement Implications / Social Value

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

Property implications

- 4.19 There are no direct implications arising from this report. Any direct property implications as a result of service redesign will be set out within the relevant redesign proposals as they are developed.

Health and Wellbeing implications

- 4.20 There are no direct implications arising from this report. Any direct health and wellbeing implications as a result of service redesign will be set out within the service redesign proposal as they are developed.

Staffing implications

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

Reducing Inequalities

- 4.23 Equality Impact Assessment (EqIAs) are undertaken on proposals as they are developed and reported to Cabinet to allow them to consider any revisions required to the final budget for recommendation to Council. Assessing the impact of proposed changes to policies, procedures, services and organisational change is not just something the law requires; it is a positive opportunity for the council to ensure it makes better decisions, based on robust evidence. Failure to meet the requirements in the Public Sector Equality Duty (PSED) may result in the council being exposed to costly, time-consuming and reputation-damaging legal challenges. Equality Impact Assessment analysis is contained in **Section A - Part 3** of this report.

Climate Change

- 4.24 This report is prepared with consideration of the council's Climate Change Action Plan where applicable. Directors are required to ensure proposals are assessed, as appropriate, against the six key areas of the plan: strategy, energy, waste, transport, nature, resilience and adaptation.

Consultation

- 4.25 For our services to meet the needs of local residents, and of the community at large, it is essential that our plans and policies take into account the views of local people and others who use our services. We use a broad range of consultation methods to ensure as far as possible that people have sufficient information to comment, as well as the time and any necessary support they require to enable them to have their say. All feedback gathered is collated and carefully considered, along with other information, as part of the decision making process.
- 4.26 Stakeholder consultation has been undertaken with elected councillors through Overview and Scrutiny Committees, with trade unions via the council's Employee Relations Forum (ERF), national non domestic ratepayers and voluntary and community organisations on the budget and draft council tax increases. Budget consultation has also been undertaken with residents and other stakeholders. Full details of the consultation process and findings is presented in **Section A - Part 2** of this report.

Amendments to the Revenue Budget

- 4.27 Since the draft revenue budget was presented to Cabinet on 14 December 2022, there have been a number of funding announcements and technical changes to the budget; these can be summarised as follows:
- The provisional 2023/24 Settlement was received on 19 December 2022. This confirmed referendum principles for the increase in council tax of 2.99% along with a further 2% precept for social care authorities in 2023/24. A general 2.99% increase was included in the draft budget to Cabinet in December. The administration is not minded to implement the additional 2% increase at this time given the cost of living pressures being faced by our residents, as such this report contains a recommended increase of 2.99%;
 - A number of grants have been removed, reduced or rolled into other grants resulting in a net loss of grant to the council of £2.4m, including New Homes Bonus (reduction of £440k); Lower Tier Services Grant (removal of £471k); Services Grant (reduction of c£1m); and Council Tax Administration, Natasha's Law, and Council Tax Family Annex grants totalling £486k, which have been rolled into the Settlement Funding Assessment, meaning they will no longer be received as a separate grant;
 - Social Care Grant will be £3.85bn in 2023/24. This includes £1.27bn of funding due to delaying the rollout of adult social care charging reform and £161m due to the rolling in of the Independent Living Fund. This equates to £24.49m for Walsall, an increase of £9.3m, which is ringfenced for Adults' and Children's social care. This will fund demand and cost pressures within both services and will also fund care package costs of £818k currently funded from the Independent Living Fund grant which ceases from 2023/24 and will be rolled into the Social Care Grant;
 - The Settlement also confirmed a £300m Adult Social Care Discharge Grant. This funding of £1.99m is required to be pooled as part of the Better Care Fund. The government will set out further details on the conditions of this funding in due course. This was originally estimated as £2.38m in our MTFO, but has now been confirmed as £1.99m, a reduction of £0.39m. It will fund the costs of discharge;
 - For 2023/24, the £162m Market Sustainability and Fair Cost of Care (FCOC) 2022/23 Fund of £966k is rolled into a new ASC Market Sustainability and Improvement Fund, which the government notes is to support the progress local authorities and providers have already made this year on fees and cost of care

exercises. An additional £400m has been announced to address issues such as discharge delays, social care waiting times, low fee rates, and workforce pressures. This equates to £3.35m for Walsall (including the £966k), an additional allocation of £2.39m. There will be reporting requirements placed on this funding regarding performance and use of funding to support improvement against the objectives. We await these. £1.68m of this grant will be used to fund the uplifts in fees, leaving c£710k to be held centrally whilst a plan is worked up by ASC as to its proposed use. As part of the Government's plan, local authorities are to "move towards" paying providers a fair cost of care over the 3 years 2022/25. As part of the 2022/23 grant conditions following the completion of the fair cost of care exercise in 2022 local authorities are required to submit and publish a market sustainability plan to the Department of Health and Social Care by 27 March 2023. In 2022/23 to support the preparations for the move towards paying providers a fair cost of care Local Authorities were required to complete a FCOC exercise utilising two nationally prescribed costing tools for Nursing & Residential Care (age 65+), and the Domiciliary Care Market (age 18+) to determine the median fee rates based on submissions received from providers. These rates from the fair cost of care exercise will be taken into consideration to inform future fee rates setting with the aim to work towards achieving a FCOC by the Council in future years;

- £736k of new Council Tax Support Grant funding for 2023/24 to support economically vulnerable households with the majority expected to be used to reduce bills for current working age and pension age Local Council Tax Support (LCTS) claimants by up to £25;
- £134k of Homelessness Prevention Grant to deliver the following priorities:
 - Embed the Homelessness Reduction Act and contribute to ending rough sleeping by increasing activity to prevent single homelessness;
 - Reduce the number of families in temporary accommodation by maximising family homelessness prevention;
 - Reduce the use of bed and breakfast accommodation for families and eliminate family B&B placements beyond the statutory six-week limit.
- Pensions Valuation – the draft pension valuation for the 3 years commencing 2023/24 has been received from the West Midlands Pension Fund (WMPF) and reviewed. The Fund has refined its approach to setting contribution rates at this valuation, now adopting a risk-based approach to be able to calculate individual employer contributions relative to their own circumstances and risk. Whilst the primary contribution (for those employees currently paying into the fund) has increased by 1.4% from 20.3% to 21.7%, the secondary contribution of 3.9% (previously paid to the WMPF as a lump sum payment rather than based on a % of the pensionable pay bill) has reduced. Overall, adjusting for forecasts increases in the pensionable pay bill for the next 3 years, this releases c£5.18m of employer contribution costs. The contribution rates are yet to be finalised, as such it is prudent to provide some contingency for fluctuations in the pay bill.
- Additional investment in services, including;
 - Reduction in £397k discharge funding within Adult Social Care following finalisation of the grant allocation;
 - Funding for two additional posts within Multi Agency Safeguarding Hub (MASH) of £120k, due to demand data and recent inspection outcomes (to address the capacity issues regarding social workers in the MASH/Initial Response Service (IRS));
 - Increased funding of £207k for contractual inflation following review, covering mainly highways related contracts;

- Increased demand and cost pressures within Adult Social Care (c£4.52m) and Children's Services social care (£2.90m);
- Reallocation of pay to services to fund the ongoing impact of the approved 2022/23 pay increase.
- Finalisation and approval by the S151 Officer, under delegations, of the council tax base and NNDR1 (business rates) return in January 2023;
- A number of transfers to/from reserves to smooth financing of one-off costs.

4.28 The impact of the overall changes since December 2022 on the MTFO and savings requirement is shown below, resulting in a revised saving requirement for 2023/24 of £15.71m (reduced from £16.30m).

Movement in savings requirement - detail					
	2023/24	2024/25	2025/26	2026/27*	Total
	£m	£m	£m	£m	£m
Savings required per Cabinet on 14 December 2022	16.30	16.95	13.41	9.38	56.04
<i>Funding changes</i>					
Core funding changes	(5.26)	(4.94)	(0.10)	(0.10)	(10.40)
Collection Fund changes	(1.22)	1.22	0.00	0.00	0.00
Change in tax base	(0.31)	(0.01)	(0.01)	(0.01)	(0.34)
Other changes including grants / income	1.39	(3.70)	0.02	0.02	(2.27)
Transfer to / from reserves changes	6.59	(6.44)	(0.07)	(0.08)	(0.00)
<i>Changes to investment / growth</i>					
<i>Service investment / pressures</i>					
- service investment changes	(0.09)	(0.37)	(0.02)	(0.02)	(0.50)
- re-categorisation of pay to services	6.35	0.00	0.00	0.00	6.35
- re-allocation of central pressures to services	7.42	4.35	0.00	0.00	11.77
<i>Central pressures</i>					
- re-categorisation of pay to services	(6.35)	0.00	0.00	0.00	(6.35)
- re-allocation of central pressures to services	(7.42)	(4.35)	0.00	0.00	(11.77)
- central pressures - other	(1.69)	5.39	0.00	0.00	3.70
Savings identified / to be identified	15.71	8.10	13.23	9.19	46.23

4.29 This revenue budget report presents a balanced budget subject to successful delivery of the £15.71m of identified benefits in 2023/24. The following summarises the changes made to the savings from those reported in December 2022, a reduction of £585k in 2023/24:

- OP12 - £205k utilisation of public health grant moved to changes in grant funding (categorisation change only);
- OP 56 - £70k included for depot utilisation as part of changes to recycling removed following further review into deliverability;

- P11 – Modified winter maintenance of £30k moved from a Policy to Operational decision (categorisation change only - renumbered saving OP66) as there is no direct impact on the service;
- P1 – Removal of the proposal to outsource Mobile / Home Library Service (£155k) following Cabinet's review of consultation and equality impact assessment;
- P2 - £152k reduction in saving for review of Citizens Advice grant following Cabinet's review of consultation and equality impact assessment;
- P8 – Removal of the proposed introduction of a charge for disabled parking bays (£3k) following Cabinet's review of consultation and equality impact assessment.

4.30 The draft revenue budget contained 13 policy proposals in respect of 2023/24, and 67 operational savings. Feedback from consultation and equality impact assessment has been considered by Cabinet and 12 revised policy proposals are set out within this report (**Section A - Parts 1, 2 and 3**). Cabinet are asked to approve the policy decisions as set out in **Table 1** overleaf (under the heading Executive (Cabinet) Decision) and instruct Executive Directors to implement the resulting decision.

Table 1: Summary of revised policy savings and the Executive (Cabinet) decision

Saving ref	Policy Saving Consulted on	2023/24 £	Decision required	Executive (Cabinet) Decision
<i>Children's & Customer Services</i>				
P2	Expiry of Sandwell & Walsall Citizen Advice (CAB) £240,000 grant funding agreement	(88,200)	Y	To approve a revised saving of £88,200 and a reduced grant allocation of £156,800 per annum to Citizen's Advice Sandwell and Walsall, to deliver a face-to-face advice for residents in need of complex welfare benefits advice and tribunal support (thus mitigating the key risks identified in the equality impact assessment).
<i>Economy, Environment and Communities</i>				
P1	Outsource Mobile / Home Library Service	(155,000)	N	Not applicable: Cabinet have withdrawn this proposal following consultation and equality impact assessment considerations.
P3	Outsource Outdoor Pursuits Service to a community group	(23,776)	Y	Approve the proposal.
P4	Increase in bulky waste charges from £10 to £30 for up to 3 items, £50 for 4-6 items and £70 for 7-9 items	(136,000)	Y	Approve the proposal.
P5	Reduce grass cutting frequencies	(40,000)	Y	Approve the proposal.
P6	Rewilding of all urban grassed areas - to manage public grassed open spaces and verges for biodiversity rather than visual appearance. Most areas would only receive one cut per year; however pitches, visibility splays, paths and edges would be cut more often.	(352,348)	Y	Approve the proposal.
P7	Increase resident and business parking permit charges by 20%	(3,300)	Y	Approve the proposal.
P8	Introduce charge for advisory disabled parking bays [£90 one off to align with Sandwell]	(2,850)	N	Not applicable: Cabinet have withdrawn this proposal following consultation and equality impact assessment considerations.
P9	Part night lighting - reduce energy consumption by 20%	(40,000)	Y	Approve the proposal.
P10	Garden waste collection - 2 weekly from May-Nov	(100,000)	Y	Approve the proposal.
P11	Modified winter maintenance service - the same roads will be gritted but split into 5 routes rather than 6	(30,000)	N	Moved to operational saving (No. OP66) given no direct impact on service.
P12	Parking dispensation charging of £15 per vehicle per day	(19,500)	Y	Approve the proposal.
P13	Reintroduce staff parking charges – reduction from £45 to £15 per month	(18,000)	Y	Approve the proposal.

Amendments to the Capital Programme

4.31 The draft capital programme was set out in the report to Cabinet on 14 December 2022, totalling £110.09m for 2023/24. The programme has increased by **£110.92m** to £221.01m in 2023/24 with the following additions:

- Inclusion of a number of proposed carry forward schemes from 2022/23 totalling £121.06m (£58.91m council funded and £62.15m external funded) – net change of £105.74m in 2023/24 (£15.32m was already estimated for pipeline development);
- New external funding allocation published of £77k for Family Hubs and Start for Life Programme;
- New external funding allocation of £2.34m in 2022/24 for Low carbon heating project for Civic Centre, Town Hall and Council House (with £1.33m in 2024/25);
- New external funding Levelling Up allocation of £2.76m in 2023/24 to kickstart the delivery of 500 new homes connecting local people in Willenhall to jobs, parks and new rail station (with £17.23m in 2024/25).

Treasury Management and Investment Strategy for 2023/24 Onwards, and Capital Strategy

4.32 The Treasury Management Code of practice requires regular reporting of treasury management performance and practice, with minimum reporting requirements set out.

This report provides two of these requirements, in the form of the annual Treasury Management and Investment Strategy at Part 2A and Treasury Management Policies at Part 2B. It also meets the requirement for the authority to produce and publish a Capital Strategy each year, which demonstrates how capital expenditure, capital financing and treasury management activity contribute to the provision of desired outcomes and takes account of stewardship, value for money, prudence, sustainability and affordability.

Whilst there have been some prescribed changes to the strategies, due to the update of both the Treasury Management Code and Prudential Code in December 2021, these are not significant overall (and are summarised in the Background section of the report), borrowing and investment objectives have also been updated to reflect both the current interest rate environment, with significant increases to the Bank of England Base Rate during the year due to an increase in inflation, and also the projected financial position for each year that the strategy covers.

The main changes that members should note as part of the updates to these objectives are as follows:

- Affordability Indicators:
 - The target for L5 (average interest rate paid on debt) has increased from 3.69% to 4.21% due to underlying increases in the Bank of England base rate and assumed impact on new borrowing required to support the council's approved capital programme.
- Investment Objectives:
 - The targets for L8, L9, L10 and L11 (average interest rates received on investments), have all been increased from 2022/23 to 2023/24 to reflect the council's current investment performance and the fact that the Bank of England base rate is currently forecast to continue to remain at a higher level over the next few years.

5. Decide

- 5.1 As set out in the legal section, Councils are required to set a legal budget. This report is the final stage in that process and Cabinet are asked to approve the recommendations as set out, and recommend the budget to Council on 23 February 2023 for formal approval of the 2023/24 statutory determinations and council tax levels.

6. Respond

- 6.1 Following recommendation by Cabinet, this budget report and plan will be forwarded on for formal approval by Council on 23 February 2023.

7. Review

- 7.1 Following approval by Council on 23 February 2023, the 2023/24 budget will be formally set and monitored throughout the year. Council tax bandings will be set and bills formally produced and distributed in accordance with approved guidance.

Background papers

- Various financial and working papers;
- Corporate Budget Plan 2022/23 to 2025/26, incorporating the Capital Strategy; and the Treasury Management and Investment Strategy 2022/23 Onwards – Council 24 February 2022;
- Corporate Financial Performance 2022/23 and approach to Budget Setting for 2023/24 - Cabinet 20 July 2022;
- Draft Revenue Budget and Draft Capital Programme 2023/24 – 2026/27, including the impact of the Autumn Statement 2022 – Cabinet 14 December 2022;
- Settlement data;
- Equality Impact Assessments.

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Deborah Hindson
Interim Executive Director (s151 Officer)
31 January 2023



Councillor M. Bird
Leader of the Council
31 January 2023

Section A - Part 1 - Report on findings from Overview and Scrutiny Committees

1. Overview and Scrutiny Committees received the draft revenue and capital proposals in January 2023, with feedback considered by Cabinet as part of finalising proposals within this report.

This section summarises the comments and recommendations from each Committee and, where applicable, Cabinet's consideration of these.

2. Scrutiny Overview Committee – 7 February 2023

As the Overview Scrutiny Committee meeting is taking place after despatch of this report, any feedback on the Committee's response to the draft proposals will be tabled.

3. Education Overview and Scrutiny Committee – 12 January 2023

- 3.1 The Portfolio Holder for Education and Skills gave a brief introduction to the report and highlighted the salient points. He highlighted £4.7m of investment and cost pressures, the saving proposals, and the proposed draft capital programme spending. The Chair then invited the Finance Business Partner for Children's Services (Access and Inclusion & Admin Hub) who outlined briefly what each attached appendix showed. There was no further discussion on the item.

3.2 The Committee Resolved:

That the Committee noted the draft revenue budget proposals and draft revenue capital schemes.

4. Social Care and Health Overview and Scrutiny Committee – 19 January 2023

- 4.1 Further to a presentation by the Lead Accountant for Adult Social Care and Public Health, Members considered the draft budget proposals in detail. Members raised concern and sought assurances on a number of proposals as set out within the report as follows:-

- Appendix 2 - Operational proposals 2023/24 – 2026/27

Members sought clarification as to how savings would be achieved and (should they be realised) how this would affect the services delivered by the Council.

Officers assured Members that savings could be achieved through improved income generation and early intervention.

- Impact of planned savings of £2.25m in 2023/24

The Committee sought assurance that planned savings of £2.25 million over the financial year 2023/24 would not have a detrimental effect on the welfare and wellbeing of residents who use Council social care services.

Officers informed Members that the proposed savings had been informed by a strength-based approach. This would help the Council to ensure that residents receive the most appropriate level of support, enabling them to maintain as much independence as possible, whilst reducing overdependency on services.

The Portfolio Holder for Adult Social Care emphasized that levels of care provided was set out within the Care Act 2014. The Council was seeking to implement a new way of working which would deliver better care for residents.

- OP15 - 'Income generation review of grants – Section 75 grant',

Members raised concern at the level of debt between the ICB (Integrated Care Board) and the Council.

- Presentation of the budget proposals

The Committee felt that the way in which the report was drafted could lead to confusion as some proposals, listed as savings, were to be achieved by increased income generation.

Officers clarified that some proposals were classed as savings because they were a continuation of income made in the previous financial year. In addition, the Council was in negotiation with partners, such as health, on the delivery of care which could lead to cost recovery which would be included as savings.

Whilst accepting the explanation of both Officers and the Portfolio Holder in relation to the above matters, concern remained at the level of proposed savings. The Committee were unable to support them in their current form.

4.2 The Committee Resolved that:

1. Cabinet be advised that the Committee is unable to support the savings listed in the 'Summary of Operational Proposals by Outcome 2023/24 – 2026/27', contained with Appendix 2.
2. That the draft revenue budget proposals and draft revenue capital scheme be noted.

5. Children's Services Overview and Scrutiny Committee – 30 January 2023

- 5.1 *As the Children's Services Overview and Scrutiny Committee meeting is taking place at the time of despatch of this report, any feedback on the Committee's response to the draft proposals will be presented to Cabinet on 8 February.*

6. Economy and Environment Overview and Scrutiny Committee – 2 February 2023

- 6.1 *As the Economy and Environment Overview and Scrutiny Committee meeting is taking place after despatch of this report, any feedback on the Committee's response to the draft proposals will be presented to Cabinet on 8 February.*

Section A - Part 2 - Report on findings from Budget Consultation

1. Background

- 1.1 Each year Walsall Council undertakes public consultation in preparation for the budget setting process. Residents, partners and other key stakeholders were invited to have their say on draft budget proposals for 2023/24 to 2026/27 where applicable.
- 1.2 Section 138 of the Local Government and Public involvement in Health Act 2007 placed a general duty on every local authority in England to take such steps as it considers appropriate to secure that representatives of local persons (or of local persons of a particular description) are involved in the exercise of any of its functions, among other things by being consulted about the exercise of the function. The 2010 Equality Act whilst not imposing a specific duty to consult, lays a requirement to have due regard to the equality impact when exercising its function.

Approach to consultation

- 1.3 Information on the draft proposals was made available in the 14 December 2022 Cabinet report and on the council's website at:
www.walsall.gov.uk/budgethaveyoursay
- 1.4 Consultation with a range of stakeholders, including residents, Non-Domestic Rate Payers, voluntary and community organisations, Councillors and other key stakeholders took place between 15 December 2022 and 15 January 2023.

Communications and promotion

- 1.5 The consultation was announced in a news item on the council's website (615 views) and was promoted on social media on the corporate Twitter and Facebook accounts. Facebook achieved 12.4k impressions (the total number of times a post has been displayed in a social feed), 252 engagements (comments, likes or shares) and 227 total clicks, Twitter 4.21k impressions, 136 engagements and 3 clicks.
- 1.6 Information about the proposals was provided and further information could be sought on request.

Methodology

- 1.7 Consultation has, as far as possible, been designed to be appropriate to the audience and to facilitate informed comment. In doing so the needs of particular groups and communities have been considered, alternative formats and support to respond were made available on request. A dedicated budget email address and phone line was made available for people to call for further information or to make a comment.

- 1.8 The 14 December Cabinet report - Draft Revenue Budget and Draft Capital Programme 2023/24 – 2026/27 included 13 policy proposals and 65 operational proposals for consultation.
- 1.9 The majority of operational proposals tend not to impact directly on the public as the changes are 'behind the scenes'. While operational proposals are savings that do not require Cabinet approval or formal consultation, public comments and feedback were sought as part of consultation on the wider budget.
- 1.10 Central to the consultation is to understand how the draft proposals, if approved, may impact on people / communities and to seek alternative suggestions for how the savings could be made. Feedback on all proposals was gathered via a short generic online questionnaire. Each proposal had a reference number allowing respondents to identify the proposal(s) they wished to comment on. Where appropriate respondents were asked about their use of the service followed by 3 key questions:
- What is your overall opinion on this operational proposal? (support, support but with concerns / amendments, do not support)
 - How if at all, might this proposal affect you?
 - Do you have any alternative suggestions for how this saving could be made or income generated?
- 1.11 By the closing date 706 responses had been received via the online survey and paper surveys. 16 emails received.
- 1.12 A letter of objection was received from Valerie Vaz MP in relation to proposal P2 Expiry of Sandwell & Walsall Citizen Advice (CAB) grant funding agreement. Wendy Moreton MP also wrote expressing appreciation for the difficult budget decisions that are required and asked to be kept apprised of the decision making for proposal P2.

Petitions

- 1.13 No petitions have been received.
- 2. Summary of feedback – policy proposals, operational proposals, capital investment, increases in council tax (All respondents)**
- 2.1 An online survey was made available on the council's website from 15 December 2022 until 15 January 2023. In addition paper surveys were also distributed to users of the mobile and home delivery library services during this time.
- 2.2 By the closing date 706 responses had been received. 654 people (93%) were residents of Walsall, 4 respondents were business representatives, 13 community and voluntary sector representatives. Other responses were received from those representing housing (4 people), education (1 person), 10 council employees and 10 'other'.

- 2.3 Results are reported on the basis of the number of people who answered the specific question. Note that not all questions were mandatory and the number of respondents to each question varies. The number of responses to some individual proposals are low and therefore %s treated with caution.
- 2.4 Respondent demographics were collected on a voluntary basis and have been shared as part of the Equality Impact Assessment (EqIA) process.

Draft policy proposals P1 to P13

- 2.5 All 13 draft policy proposals were consulted on via the online survey plus paper questionnaires were issued for P1 Outsource home / mobile library. Detailed summaries of feedback from consultation plus EqIA information is provided on the council's budget consultation webpages,

<https://go.walsall.gov.uk/your-council/consultations/budget-consultation/have-your-say-budget>

A quick reference table is provided on the next page.

2.6 Table 1. Quick reference summary table of consultation and EqIAs

Proposal Ref	Savings Proposal	2023/24 £	Responses *note some very low bases	General feeling emerging from consultation	PPS EqIA
P1	Outsource Mobile / Home Library Service	155,000	588	93% Against	D
P2	Expiry of Sandwell & Walsall Citizen Advice (CAB) grant funding agreement	240,000	97	85% Against	C
P3	Outsource Outdoor Pursuits Service	23,776	18	44% Support	B
P4	Increase in bulky waste charges	136,000	40	75% Against	C
P5	Reduce grass cutting frequencies	40,000	39	Divided	B
P6	Rewilding of all urban grassed areas	352,348	29	41% Support	A
P7	Increase resident only, business parking and season ticket permit charges by 20%	3,300	18	Divided	A
P8	Introduce charge for advisory disabled parking bays	2,850	17	Divided	C
P9	Part night lighting - reduce energy consumption by 20%	40,000	34	47% Support	B
P10	2 weekly collection of garden waste	100,000	37	Divided	A
P11	Modified winter maintenance service	30,000	18	56% Support	N/A
P12	Parking dispensations - £15 per vehicle per day	19,500	15	60% Support	A
P13	Reintroduce staff parking charges – reduction from £45 to £15 per month	18,000	33	Divided	A

Operational proposals

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

Capital Investment

- 2.8 Twenty-four respondents made comments about the capital programme. Some reiterated the need to maintain services that are subject to policy proposals (P1 outsource mobile/ home library and P2 Expiry of CAB grant). Others highlighted the need to prioritise social care, and the health and wellbeing of residents.

“The health of residents needs prioritising. Investment in gym and pool facilities, especially for disabled residents. Improving resident health takes pressure off other services.”

- 2.9 Supporting and investing in Walsall Town centre was seen by some as a key priority for capital investment as well as attracting the right businesses to locate in the borough.

“We need to look at concentrating on businesses and how we can encourage right businesses to come to Walsall for business and attract more public. We need to be looking at building a secure environment for the people and visitors of Walsall.”

“For me the priority is the town centre, especially at night, it does not feel like a safe or attractive place to visit.”

“Walsall is in great need of more central government funding if the town centre and essential services are to be improved. I urge councillors to keep lobbying for this.”

- 2.10 Some query the investment in council buildings, particularly as occupation is reduced with staff working from home.

“Would question why investment is required in Council House when most staff now work from home.”

“Make a decision to either open the Civic centre fully (before COVID levels) or close it completely. Having a halfway house approach not only serves as a massive drain on resources but also could potentially bring in considerable revenue from being sold or offered for lease. Explore the potential of placing staff in community associations to increase efficiency and other council owned buildings such as the town hall.”

Thoughts on paying more council tax to help protect services

- 2.11 The online survey also sought feedback on paying a bit more council tax, in particular an increase of 2.99% in general council tax and a further 2% Adult Social Care Precept. Details and figures were provided.

2.12 The majority of respondents who answered the question do not want to see council tax increased by 2.99%. Results show that 65% (112 people) do not support a general council tax increase of 2.99%. However, 35% (60 people) did support a 2.99% increase.

2.13 Comments from respondents who did not favour an increase in general council tax focus on it not being affordable to them and others, particularly amid a cost-of-living crisis. Some say the increase is too much and that they already pay too much / more in comparison to neighbouring authorities. Some people feel they are paying more each year and getting less in return.

2.14 Comments include...

"You say that the majority of houses in the borough are in Bands A and B - unfortunately, these are the people who feel the increase in council tax the most. Many of these people are on minimum wage or earn well under the average salary and knowing that there will be an increase in council tax every year, especially when council services are slightly reduced, is a source of anxiety for many people. I don't believe council tax should be increased so that it can be more in line with other neighbouring authorities. I don't see why Walsall has the highest council tax rates in the local area."

"With the cost-of-living increase, we can ill afford any more."

"This is fast becoming unaffordable for more and more people. In the current economic climate this would push more residents into poverty."

"It will impact the majority of residents, many whom from your stats live in smaller houses at the lower end of the Council tax banding and suggesting least likely to be able to afford the increase."

"Services are being cut, why should we pay more for less?"

2.15 The 60 respondents in favour of a 2.99% increase recognise the increasing cost pressures the council faces and the need to maintain services. Some feel the increase is good value for money and the impact on households minimal.

"To cover the increased cost pressures faced by the council, and to ensure essential services can be maintained."

"Instead of cutting other vital services it's better to contribute a bit more to the council for it to provide the same services."

"Because costs are increasing for the council and it's important that the council is able to deliver its services to us all."

"For most people who live in normal sized properties the increase would be minimal, but in an ideal world, an increase would not be necessary."

“Costs are increasing with inflation, only increasing the Council Tax by 2.99% is a bargain, it should increase by more to avoid cuts in provision of services.”

2.16 In terms of a 2% Adult Social Care Precept, 27% (40 respondents) say yes apply it and 73% (110 respondents) say do not apply it.

2.17 On top of a 2.99% general increase, affordability is an even greater concern and too much for many people.

“People can’t afford a general increase and then this on top.”

“A 2.99% would be completely worrying for lower paid residents especially.”

“In the current financial situation this would be too much extra money in one rise. Many are struggling to meet their existing commitments, and some get little or no help from Central government / benefits. Especially the elderly and low-income working families.”

“People are struggling to pay bills at the moment, so whilst I accept that there will be some increase, I feel that this is too much.”

“Already people are at a breaking point financially so applying an additional 2% on top of the proposed 2.9% would break the camel’s back!”

2.18 Of those who supported the precept, comments made mentioned the importance of supporting social care services which many feel is underfunded and struggling to meet needs.

“Because social care is important, and the money can’t be found in the existing budget without an increase.”

“This sector clearly requires a significant increase in funding to begin to address growing demand.”

“It’s a hard decision and would be a hard one for residents to swallow, but the ASC crisis hasn’t even hit yet, and the council needs to be in as strong a position as possible to support tomorrow’s vulnerable citizens.”

“We have a major social care crisis at the moment and need money to fund care.”

“This is an area that we do need to spend on. It will affect everyone at some point.”

“There needs to be more funding in Adult Social Care, there are too many elderly and vulnerable people who need extra support, and the system is struggling to provide it.”

- 2.19 Most respondents say paying more council tax will have a big impact on them, with 66% (172 people) say paying a bit more council tax will have a big impact on them, 29% (75 people) say some impact. 4% said no impact.

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

- 2.20 As part of the council's statutory duty to consult¹ with representatives of local non-domestic ratepayers (NDRP), businesses and community and voluntary organisations were invited to have their say on the current and preceding years' expenditure proposals, as well as the proposed council tax increase for 2023/24.
- 2.21 On 15 December 2022, emails outlining the draft budget and explaining the adult social care precept were distributed electronically to 3,947 businesses and to 320 community and voluntary organisations via One Walsall. As well as providing a link where further information could be found the communication invited people to have their say via the online survey.
- 2.22 By the final closing date of 15 January 2023, 4 responses from business representatives had been received and 13 from community / vol sector organisations including Walsall CAB, whg, a school and a community resource centre.

"I strongly agree with the proposed council tax rise and would also support the additional rise to cover social care. It's about time we had a grown-up conversation regarding the chronic yearly underfunding from central government. It's appreciated the council is in a position of receiving yearly cuts to its core funding from central government and whether right or wrong (I think wrong), the council has to properly fund social care."

Draft Policy Proposals (NDRP)

- 2.23 15 NDRP respondents fed back on P2, Expiry of Sandwell & Walsall Citizen Advice (CAB) grant funding agreement, 13 of them not supporting the proposal. As some responses were from employees of the CAB itself, understandably comments mentioned the loss jobs, but comments also provided their thoughts on the perceived impact the proposal might have on residents.

"I work at Citizens Advice, the loss of advice services to the residents we see will be devastating. We help people in extreme need and fuel poverty, the cost of living will affect people even more, we are able to offer grants, support advice and relief."

"Citizens Advice has been providing support for over 20 years and is a recognised and go to advice provider with people who have a good understanding of housing, benefits and debt to support people. To cut the grant at a time where people are struggling with the cost of living and food poverty is a ridiculous decision."

"This will affect everyone who are working for Citizens Advice as well as the clients we see on the daily basis. Our clients need our support, and we have a lot of people in desperate need showing at our door daily in hope we can help which we are proud to be there."

"I regularly support CA Walsall and have often commented on just how busy the service is based on the number of clients who drop into the walk-in service there. Clients have so regularly stated that they just do not know what they would have done or how they would have managed without the help of Citizens Advice. As an area of deprivation, I think it is essential to have Citizens Advice running and fully funded to support your community, especially through one of the most difficult times of crisis our country has had to face."

- 2.24 One comment in support of the proposal said that alternative sources of help and advice were already available.

"I live and work in Walsall. There are other organisations that can help the public with letters, calls etc that get funding from other sources not the council. The public won't lose out, but if we have to pay more to keep the service, people will struggle even more."

- 2.25 When asked for alternative suggestions, respondents ask that the council maintains funding for the CAB instead of spending money on other 'less important' services such as refurbishing toilets.

"A large sum of money is being spent on "revamping" public toilets - is this as necessary during a recession and the cost-of-living crisis as having a local free advice service?"

"I understand that this is a massive 'saving' the council could make however those services are crucial to our client, we are their last hope in helping with their issues, so I believe it is good investment into our community."

"Look to reprioritise the capital budget proposals and the plans to refurbish 2 public toilets is the whole CAS&Ws budget for year."

- 2.26 One business representative expressed full support for P6 - rewilding of all urban grassed areas and P9 - Part night lighting – reduce energy consumption by 20%, commenting;

"Reduce the over use of street lights - I firmly believe there are way too many and some could be switched off all together through the night."

- 2.27 One business representative expressed concerns for P11 - Modify winter maintenance service;

"We provide community care workers. Reducing the routes may mean that it would take longer to respond or grit roads causing operational delays in what is already an extremely pressured sector."

- 2.28 The same business representative did not support P12 parking dispensations - £15 per vehicle per day, but did not comment and they did not support P13 - Reintroduce staff parking charges – reduction from £45 to £15 per month, saying;

“I think it is reasonable and fair to expect that council staff pay the same as other tax payers in the borough.” And that “by aligning parking costs with the public it would actually generate funds.”

Operational proposals (NDRP)

- 2.29 A limited amount of feedback on operational proposals was received and this has been shared with services for review.

Paying more council tax to help protect services (NDRP)

- 2.30 Most respondents, 8, do not support a 2.99% increase, 4 respondents do support it. 5 did not know.

“Individuals are already struggling with increased inflation, static income and growing personal debt. The increase will be unaffordable for many residents.”

“Because Walsall's Council tax is already one of the highest in the West Midlands and yet we see no improvement in services for this increased charge. With the cost of living having such a huge impact local residents of Walsall cannot afford to pay any more on their Council Tax when they currently cannot even afford to heat their homes.”

- 2.31 Comments from NDRP in support of a general council tax increase of 2.99% mention the need to raise additional funds to invest in services.

“It is necessary to raise additional funds and this is a proportionate and measured way of doing so. The most deprived in our communities already have support in terms of housing/council tax etc and the remainder of our communities have several different ways of budgeting for this increase and have support available to them if they need it.”

“Collect as much as you can in order to invest in local services for residents.”

“On the grander scale of things it is not a huge amount when you consider what is expected in return.”

“I think we will be getting away lightly with a 3% rise in council tax so its fully supported, especially in view of ever shrinking core funding received from central government.”

- 2.32 Six NDRP respondents do not support a 2% precept for social care, with 2 supporting it. 7 did not know.

- 2.33 Only comments in support of the precept were made;

“Adult social care is on its knees and Walsall are one of the lowest fee-paying LA's in the country.”

“The need for support for people within our communities has never been greater.”

Trace Union Consultation (via ERF)

2.34 The trades unions were briefed on the budget on 21 December 2022 and were asked to provide any feedback. On 24 January 2023, UNISON provided feedback on whether the Council decided to take the 2% adult social care precept. The union requested feedback on the following:

- a clear rationale and transparency for whatever decision is taken;
- provision of an assessment of the impact not taking the extra 2% will have on Adult Social Care for the residents of Walsall, and;
- a breakdown on the extra cost to residents of taking the extra 2%.

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

1 Introduction

1.1 All managers responsible for savings proposals outlined in the draft budget report to Cabinet on 14 December 2022 were requested to carry out an assessment of each proposal.

1.2 An Equality Impact Assessment (EqIA) is the Walsall Council chosen procedure for checking lawfulness of decisions in relation to the impact on people with certain characteristics protected by the Equality Act 2010. These are:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion and belief
- Sex
- Sexual orientation

Since 2021, Walsall Council introduced 3 further categories to reflect the new legislation (Armed Forces Act 2021) and other benchmarked best practice. These are:

- Armed Forces
- Care Responsibilities
- Health, Social and Economic inequalities

1.3 Information required in the EqIA

EqIA must contain relevant data and sufficient analysis to enable members to understand the equality implications of a proposal and any alternative options. It must have satisfactory and appropriate information and be presented to decision makers in time for them to understand the effects of the proposal on people with protected characteristics. It must also;

- Consider whether action can be taken to mitigate any identified potential adverse impacts. Some proposals will affect everyone, but others will affect people from different equality groups;
- Consider whether action can be taken to enable the policy or decision to advance equality of opportunity for people who share a relevant protected characteristic;
- Request further research, consultation, or action is necessary.

1.4 What course of action does the EqlA suggest?

An EqlA should clearly identify the option(s) chosen and their potential impacts as well as document the reasons for this decision. There are four possible outcomes:

A - No major change required

When no adverse impact is identified and all opportunities to promote equality have been taken. To make this judgement, concrete evidence must be provided that people with protected equality characteristics (all groups) will not be affected adversely.

B - Adjustments are needed to mitigate adverse impact and to better promote equality

A plan is required which must include specific deadlines for actions to be completed in order for the decision to be implemented, e.g. alternative ways of providing the service, signposting to other providers and ongoing monitoring of the impact. If there are further concerns following adjustments, the decision must be reviewed, and action taken.

C - Continue despite possible adverse impact

Compelling reasons will be needed, and mitigating actions are required to minimise adverse impact. An action plan is required which must include specific deadlines by which mitigating actions need to be completed in order for the decision to be implemented, e.g. alternative ways of providing the service, signposting to other providers and ongoing monitoring of the impact. If there are further concerns following adjustments, the decision must be reviewed, and action taken.

D - Stop and rethink the proposal

When an EqlA shows actual or potential unlawful discrimination and needs to be reviewed immediately.

2. Evaluation of EqlAs

- 2.1 Cabinet, on 14 December 2022 agreed a summary of revenue savings for consultation. All managers responsible for policy proposals, and operational proposals with the confirmed requirement for EqlAs, were requested to carry out an assessment. 13 policy proposals and 65 operational proposals were considered for their impact on protected characteristic groups. Each of the proposals had an equality screening and 12 policy proposals and 19 operational proposals were considered necessary or having the potential to undergo an impact assessment process. Following consultation and feedback analysis, a number of proposals were reviewed or paused.

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

Ref	Decision	2023/24 EqIAs
A	No major change required	5
B	Adjustments are needed to mitigate adverse impact and to better promote equality (Includes initial EqIAs submitted and in progress)	3
C	Continue despite possible adverse impact	3
D	Stop and rethink the proposal	1
	No EqIA required	1
	Awaiting confirmation of commencement to EqIA	0
	Total (Policy)	13

2.3 The tables below provide further detail on those assessed as B, C or D. Where the outcomes showed B or C, the action plan is required to show the adjustments needed, how to reduce the impact or justify why it should continue despite the impact. 1 EqIA was considered as D in this period.

2.4 All EqIAs that resulted in initial B or C outcomes are further reviewed by the Equality, Diversity and Inclusion (EDI) team and considered by Cabinet members, giving an opportunity to comment and, where applicable, amend the budget in terms of its fairness, equality duties and objectives, as well as future shaping of the services. Proposals continue to be monitored and managed following implementation.

2.5 A number of proposals continue to be subject to consultation and engagement and there is ongoing activity. In addition, some EqIAs that have been submitted, whilst not causing any particular concern around equality considerations, require further analysis or work prior to or as they are implemented. These have been categorised as C in the table above at this point. This demonstrates that we are keeping in close contact with the proposals and that the owner has shown equality considerations. All C's will be monitored corporately to ensure any required mitigating action is implemented and has the desired result.

2.6 The 12 policy proposals included within the draft budget for 2023/24 were reviewed as follows:

Ref Number	Proposal	EqIA	Update / Comments
P1	Outsource Mobile / Home Library Service	D	It has been agreed to stop and rethink this proposal due to confirmed adverse impact on older, vulnerable and isolated people, those with mobility or sensory impairments, carers and those affected by health, social and economic inequalities.
P2	Expiry of Sandwell & Walsall Citizen Advice (CAB) grant funding agreement	C	<p>It has been established that there is potential adverse impact on older age groups, those with disabilities and further consultations with Gypsy, Traveller and Roma communities will be required. The majority of adverse impact will be mitigated by offering digital assistance to residents to access holistic advice and welfare benefit maximisation tools online through the Walsall Connected network. Walsall Connected will also support more residents with blue badge applications</p> <p>This proposal has therefore been revised to:</p> <p>To expand the training and materials for the Walsall Connected network, so that digital assistance can be given to residents who need help to access online holistic advice tools and offer a reduced grant allocation of £156,800 to Citizen's Advice Sandwell and Walsall, to deliver face-to-face advice for residents in need of complex welfare benefits advice and tribunal support, thus mitigating the key risks identified in the Equality impact assessment.</p>
P3	Outsource Outdoor Pursuits Service to a community group.	B	The Outdoor Pursuits offers provision to children and families with Special Educational Needs, those benefiting from the Holiday Activities and Food (HAF) programme for disadvantaged children and other targeted provision for children and young people. To ensure a smooth transition, the Heads of Terms of the lease will contractually ensure that the incoming operator will continue to deliver existing services. This is to include programmes directly effecting groups with protected characteristics such as HAF (for children in low-income families) and Short Breaks (for children with disabilities) providing that the external funding is still available.

Ref Number	Proposal	EqIA	Update / Comments
P4	Increase in bulky waste charges from £10 to £30 for up to 3 items, £50 for 4-6 items and £70 for 7-9 items	C	The service will need to monitor impact of fly tipping on areas with health, social and economic inequalities.
P5	Reduce grass cutting frequencies	B	The service will need to monitor impact on outdoor activities of children and young people.
P6	Rewilding of all urban-grassed areas - to manage public grassed open spaces and verges for biodiversity rather than visual appearance. Most areas would only receive one cut per year; however, pitches, visibility splays, paths and edges would be cut more often.	A	No major change required.
P7	Increase resident and business parking permit charges by 20%	A	No major change required.
P8	Introduce charge for advisory disabled parking bays [£90 one off to align with Sandwell]	C	The service would need to monitor impact on people with disabilities. The proposal has now been withdrawn.
P9	Part night lighting - reduce energy consumption by 20%	B	The service will identify the type of location where reductions in illumination levels should not be implemented. e.g. outside of sheltered housing, residences accommodating vulnerable people, formal pedestrian crossing, subways and enclosed footpaths / alleyways, areas with a 24 hour operational emergency service such as hospitals and the immediate vicinity of community safety CCTV.
P10	Garden waste collection - 2 weekly from May-Nov	A	No major change required.
P11	Modified winter maintenance service - the same roads will be gritted but split into 5 routes rather than 6	N/A	Moved to operational.
P12	Parking dispensation charging of £15 per vehicle per day	A	No major change required.
P13	Reintroduce staff parking charges – reduction from £45 to £15 per month	A	No major change required.

2.7 The 19 operational proposals requiring an EqIA for implementation in 2023/24 period are under review as they are either in progress or about to be assessed due to timing reasons (i.e. a later than April 2023 implementation date). Any assessed as other than A will be reported to senior managers and members for further consideration prior to implementation.

3. Emerging findings from the Cumulative EqIA

3.1 Walsall Council Corporate Plan states as its overarching priority **to reduce inequalities and make the most of potential**. To this aim, our services, partners and voluntary and community sector are committed to developing a healthier, cleaner and safer borough enabling residents, communities and businesses to fulfil their potential and thrive. We annually publish our achievements against the Public Sector Equality Duty objectives and these reports can be accessed at [Equality documents | Walsall Council](#).

3.2 A rigorous and transparent Equality Impact Assessment process, with special emphasis on those council services and functions that are subject to reductions and changes has always been at the core of the budget setting process. Here is the summary of the key areas of impact on people with 'protected characteristics' arising from the 2023/24 budget:

AGE - Older and vulnerable people and carers

3.3 During our assessment of the proposed 2023/24 Budget we have identified that **Outsourcing Mobile and Home library services** would have caused potential adverse impact to older and vulnerable people. These diverse communities value this service and the council is therefore reconsidering our options for developing this service in future, taking on board our in-house expertise as well as opportunities for partnership with our voluntary and community sector.

3.4 **Expiry of Sandwell & Walsall Citizen Advice (CAB) grant funding agreement** poses an opportunity to review future demand in conjunction with the review of Customer Access Management. It has been identified that some older and vulnerable people and carers may struggle with digital access. Therefore, potential adverse impact will be mitigated by offering digital assistance to residents to access holistic advice and welfare benefit maximisation tools online through the **Walsall Connected network**. Walsall Connected will also support more residents with blue badge applications. A revised proposal has now been included within the budget, reflecting a reduced grant to CAB of £155,800 to deliver face-to-face advice for residents in need of complex welfare benefits advice and tribunal support, thus mitigating the key risks identified in the Equality impact assessment.

3.5 The proposal relating to **Part night lighting – reduce energy by 20%** will only proceed with careful consideration of the locations which will be exempt from implementation of this proposal due to potential adverse effect on vulnerable residents.

Children and young people with disabilities

3.6 We want to ensure that **Outsourcing of the Outdoor Pursuits Centre** to a new community provider will not cause any disruption to the service that is greatly valued by families with SEN needs and other specialist providers catering for children and young people with disabilities or those at risk of exclusion. This is why the new contract will be monitored in order to enhance and promote the

Centre in future and equality impact will be reviewed.

- 3.7 There might be a marginal impact of **Reducing Grass Cutting frequencies** on the availability of outdoor spaces to children and young people and this service will also be monitored for its equality impact.

PEOPLE WITH DISABILITIES

- 3.8 It has been established that **Expiry of Sandwell & Walsall Citizen Advice (CAB) grant funding agreement** does pose potential adverse impact on older people with disabilities and after careful consideration, the council has decided to review the grant agreement rather than cease the funding. This is one of the areas of cumulative impact that will be closely monitored in future because it is closely related to our development of the Walsall Connected Hubs and Customer Access Management review that are part of operational budget savings.
- 3.9 **Introduce charge for advisory disabled parking bays.** This proposal would have a financial impact on disabled residents if they chose to apply for an advisory disabled parking bay to be marked on the public highway outside of their property. The proposal has been withdrawn.

PEOPLE AFFECTED BY HEALTH, SOCIAL AND ECONOMIC INEQUALITIES

- 3.10 As mentioned above, the **Expiry of Sandwell & Walsall Citizen Advice (CAB) grant funding agreement** provides an opportunity to monitor demand of our residents, particularly those affected by health, social and economic inequalities, for specialist support such as complex tribunal support and specialist income maximisation advice. We will need to adjust our future grant arrangements CAB accordingly. This area of residents' support will be subject to future monitoring.
- 3.11 **Increase in bulky waste charges** may have a cumulative impact on some parts of the borough affected by health, social and economic inequalities and we are aware that fly tipping in these areas will require strengthened monitoring.

RACE AND RELIGION

- 3.12 Whilst no policy proposals have identified significant adverse impact on race and religion 'protected characteristics', we recognise that **changes to (CAB) grant funding agreement** will require further consultations with some of our most under-represented service users, including Gypsies, Traveller and Roma as well as people with English as a Second Language needs.

OTHER – COUNCIL TAX

- 3.13 As every financial year, the Budget plan includes the council's position statement on **Council Tax** affecting all our residents. In order to mitigate the impact, the council administers a council tax reduction scheme, a separate Hardship Fund, and a Crisis Support Fund to support our most vulnerable residents. For further details of the proposed council tax levels, please refer to the tables within the recommendations of this report and the Budget Plan Annexe.

4. Ongoing EqlAs and implementation

- 4.1 EqlAs are live assessments, continuing through the budget considerations as well as during the implementation. Some will not have completed consultation and engagement on operational proposals by the time Cabinet and Council meet and certainly not in time for this report. The EDI team has engaged with proposal holders, working with them and their proposals to ensure that equality is being considered throughout the process. An update will be provided as part of Corporate Management Team (CMT) quarterly monitoring.

5. Equalities Monitoring Process

- 5.1 Findings from the cumulative impact assessment and corrective actions are monitored quarterly by Equality Champions, directorate management teams and CMT, where updates will be provided as appropriate.
- 5.2 The EDI team will carefully consider the full impact of all EqlAs, with the support of CMT and Equality Champions. Emphasis will be placed on managing and mitigating any adverse impact to the services, within available budgets, and in consultation with their service users with protected characteristics. Managers implementing the service changes where potential impact has been identified will be responsible for any mitigating actions outlined. Progress will continue to be tracked quarterly by CMT and reports provided to Cabinet as required.