

Meeting of the Council – 15th July 2024

Joint Report of the Chief Executive and Director of Finance and Legal Services

2023/24 Provisional Revenue and Capital Outturn and Medium Term Financial Strategy

Purpose

1. To report the provisional revenue and capital outturn for 2023/24 and consider changes to the Medium Term Financial Strategy (MTFS) and Capital Programme.

Recommendations

2. That the Council note the following recommendations that are being considered by the Cabinet on 15th July, 2024 under delegated powers:
 - To note the draft General Fund and Housing Revenue Account (HRA) outturns for 2023/24.
 - To note the effect of the General Fund outturn on Unallocated General Fund balances as at 31st March 2024.
 - To approve the proposed savings set out in paragraph 22 and Appendix F as a basis for scrutiny.
 - To authorise the Director of Environment to progress with on street parking charges and charging on currently free car parks as set out in paragraph 25, subject to associated capital and revenue budget changes being approved by Cabinet and Council.
 - To agree to bring forward up to £60,000 of budget from 2027/28 to year 2024/25 of the Capital programme for works at Tiled House.
 - To approve the additional capital budget of £1.9m for the Energy from Waste plant works.



3. That the Council:

- Approve the amended allocation for the UK Sustained Prosperity Funding in the Capital Programme.

Background

2023/24 Provisional Revenue Outturn

4. The provisional General Fund position after transfers from / to earmarked reserves, subject to external audit, is set out below. This represents a favourable movement of (£1.1m) since reporting to March council. The final audited accounts will be presented to Audit and Standards Committee later in the year. Appendix A provides further detail on performance at service level.

	Latest 1Budget £m	Provisional Outturn £'m	Variance £m
Chief Executives	6.8	6.3	-0.5
Adult Social Care	110.1	117.1	7.0
Children's Services	81.6	86.3	4.7
Health and Wellbeing	2.6	2.3	-0.3
Finance and Legal Services	14.3	14.9	0.6
Digital, Commercial and Customer Services	16.4	15.2	-1.2
Environment	50.4	52.4	2.0
Housing and Communities	4.6	3.9	-0.7
Regeneration and Enterprise	14	15.2	1.2
Corporate & Treasury	11.6	8.2	-3.4
Total Service Costs	312.4	321.8	9.4
Total Funding	-307.3	-308.8	-1.5
Use of Balances	5.1	13.0	7.9

¹ Budget represents management responsibilities.

5. The significant reasons for variances against budget are summarised as follows:
- Vacancies net of pay award and agency costs (£7.3m)
 - Utilities £2.2m
 - Additional net cost of Adults' and Children's care packages due to demand and price £15.6m.
 - Increased costs of Home to School Transport £0.9m
 - Net favourable variance from capital slippage and higher interest rates (£2.3m)
 - Increased net costs of Waste Disposal (Energy from Waste) £2.4m
 - Property £0.8m
 - Legal fees £0.6m
 - Impairment of Council's debts £1.5m
 - Release of contingency held mainly for revaluation of Business Rates adjustment released (£3.6m).
 - Triennial pension overpayment recovery (£0.9m)
 - Additional government grants, including share of National Business Rates Levy surplus (£1.5m)
 - Other net favourable variances £0.m
6. The outturn includes variances on delivery of the MTFs savings planned for 2023/24. In 2023/24 64% of savings were delivered, further details are provided in Appendix B. Robust monitoring of savings delivery is taking place in 2024/25 onwards.

7. The impact of the above leaves the General Fund Balance at 31st March 2024 as follows:

	Budget £m	Provisional Outturn £m
Forecast Unallocated General Fund Reserves 31 st March 2023	20.8	20.8
2022/23 outturn (as reported to July Cabinet)		1.0
Unallocated General Fund Reserve at 31st March 2023	20.8	21.8
Planned use of Reserves approved by Council March 2023	-4.2	-4.2
Further planned use of Reserves approved by Council July 2023		-0.9
Adverse variance 2023/24 outturn		-7.9
Unallocated General Fund Reserve at 31st March 2024	16.6	8.8

8. At 31st March 2022 our unringfenced revenue reserves as a proportion of net revenue spend were 19%. The average² for all Metropolitan Councils at the same date was 55%. Calculated on the same basis, our position at 31st March 2024 has fallen to 9%. Comparisons with other councils are not yet available. Earmarked reserves at 31st March 2024 are set out in Appendix C.

² The percentage quoted is based on the Median average of all Metropolitan Councils

Collection Fund

9. The Council's share of the Collection fund surpluses and deficits at 31st March 2024 is as follows.

	Forecast £m	Outturn £m	Variance £m
Council Tax surplus / (deficit)	1.0	(0.5)	(1.5)
Business Rates (deficit)	(6.7)	(5.8)	0.9
Total deficit	(5.7)	(6.3)	(0.6)

10. Due to the complex accounting requirements of the Collection Fund, particularly in terms of timing, variances will not be included within the General Fund until 2025/26. The Business Rates deficit is mainly linked to Covid-19 Additional Relief Fund (CARF). Reliefs have been applied to Business Rates payers accounts and Local Authorities are compensated through a General Fund Section 31 grant. The grant of £5.7m has been transferred to an earmarked reserve and will be transferred to revenue in 2025/26 to smooth out timing differences.

Public Health

11. The movement in Public Health reserves is set out in the table below. This represents a favourable £2.8m position compared to that reported to March Council. The closing balance of £4.6m represents circa 20% of the annual grant.

	Opening Balance 1.4.2023 £m	Movement in Year £m	Closing Balance 31.3.2024 £m
Public Health Grant	5.9	(1.3)	4.6

Housing Revenue Account (HRA)

12. The Housing Revenue Account (HRA) outturn for 23/24 was an in year surplus of £3.4m which is £5.5m more favourable than previously reported to Council. This is due to a combination of holding vacancies, making greater use of grant funding, appropriate capitalisation of costs and reduction in spending with impact of Spending Controls.
13. While this is positive, there are a number of significant pressures on the HRA in 24/25 and future years, including the following:
- The anticipated costs of achieving and maintaining ongoing compliance with the Decent Homes Standard, which will be informed by the results of the 23/24 stock condition surveys
 - Increased regulatory costs, including Regulator of Social Housing fees
 - The introduction of a Transitional Support Fund to support customers struggling with the introduction of service charges
 - The introduction of a new Target Operating Model (TOM) for housing services, informed by the Housing Compliance Recovery Programme, and the anticipated employee related costs associated with restructuring to deliver the TOM
14. In addition to HRA revenue reserves, the usable capital receipts reserve at 31.3.24 amounted to £17.8m, which is all ringfenced to Right to Buy replacements. The impact on HRA balances is shown below.

	Opening Balance 1.4.2023 £m	Movement in Year £m	Closing Balance 31.3.2024 £m
HRA unallocated reserves	5.1	2.7	7.8
HRA earmarked reserves	2.6	0.7	3.3
Total HRA Revenue reserves	7.7	3.3	11.1
Capital Receipts unapplied	15.5	2.3	17.8

Schools including Dedicated Schools Grant (DSG)

15. The movement in the school reserves is set out in the table below.

	Opening Balance 1.4.2023 *3 £m	Movement in Year £m	Closing Balance 31.3.2024 £m
Schools delegated (DSG)	6.9	(0.7)	6.2
Schools trading (GF)	1.8	0.0	1.8

16. Accounting regulations introduced for 2020/21 have resulted in the net deficit of the non-delegated DSG reserves being shown on the balance sheet within the unusable section. Otherwise they would be a call on General Fund balances.

	Opening Balance 1.4.2023 £m	Movement in Year £m	Closing Balance 31.3.2024 £m
Early Years	3.0	0.7	3.7
High Needs Block	(26.7)	(6.8)	(33.5)
Central Services Schools Block	0.4	(0.3)	0.1
Schools Specific Contingency	1.2	(0.2)	1.0
Total DSG Unusable reserve	(22.1)	(6.8)	(28.7)

17. The majority of Special Education Needs and Disability (SEND) services are met from the High Needs Block within the Dedicated Schools Grant (DSG). As previously reported, we (in common with many other councils) have been experiencing significant financial pressures from increasing demand for children that require additional educational support. Notwithstanding the high-level recovery plan that has been agreed, there is a cumulative deficit of £33.5m on the High Needs Block, resulting in an overall DSG deficit at 31st March 2024 of £28.8m. The Government has regulated

³ Adjusted for Academy transfers

temporarily to ensure that this pressure does not impact the General Fund and has confirmed that this statutory override will be extended until 31st March 2026.

18. The Department for Education (DfE) acknowledges the pressures which local systems are experiencing delivering special educational needs and disability (SEND) services. Its 'Delivering Better Value in SEND programme' is aiming to support local authorities to improve delivery of SEND services for children and young people while ensuring services are sustainable. This optional programme is currently providing dedicated support and funding to 55 local authorities. Dudley was selected to participate in the programme to work alongside Newton Europe, in collaboration with the Chartered Institute of Public Finance (CIPFA) and £1m grant has been awarded to support the improvement of outcomes for children with Special Educational Needs.

19. Progress is being made in relation to the Delivering Better Value programme, which is resulting in a slowing of the increase rate in spend against the HNB, and a reduction in the rate of EHCP Needs Assessment requests. The core areas of the DBV Programme are;
 1. Service Redesign & Ordinarily Available;
 2. Developing our sufficiency;
 3. and Preparation for Adulthood.

20. We have completed the redesign of our specialist services (which has provided some saving to the DSG) in order that these better align to the new arrangements for Ordinarily Available Provision (as an area of co-production with partners on what is available prior to the requirement for additional HNB funding). We are continuing our sufficiency reviews which are due to complete and report later this year, and we have undertaken a range of activities with partners and providers on our Post 16 arrangements for young people and young people with SEND.

Proposed revenue budget amendments

21. At May Council a resolution was passed authorising an amendment to the budget to reflect the additional Democratic Services resources and Special Responsibility Allowances arising from the revised

structure of Committees. The total cost is £0.1m per annum and additional detail is shown Appendix E.

22. Due to our low level of reserves and significant concerns about financial sustainability, work has been undertaken to identify savings in advance of the normal budget cycle. A number of proposals are summarised below with detail in Appendix F. These are subject to scrutiny and will be brought back, with any amendments, for final approval by Cabinet on 8th August and Council on 22nd August. Work continues to embed the spending controls, to undertake functional reviews and develop the target operating model. Directors will seek to deliver savings wherever possible within their delegated authority to manage their budgets. Where member decisions are required to deliver further in-year savings, these will also be brought back to Cabinet, scrutiny and Council in advance of the normal budget cycle.

Directorate	2024/25 £m	2025/26 £m	2026/27 £m
Adult Social Care	0.3	0.3	0.3
Children's Services	0.1	0.1	0.1
Digital, Commercial and Customer Services	0	0.1	0.2
Environment	1.0	2.0	2.0
Housing and Communities	0.1	0.1	0.1
Total	1.5	2.6	2.7

23. The impact of these budget changes, if agreed, on the original Medium Term Financial Strategy (MTFS) approved by Council in March, is shown below.

	2024/25	2025/26	2026/27
	£m	£m	£m
Spend as per March Council	332.4	348.9	362.9
Additional spending	0.1	0.1	0.1
New Savings	(1.5)	(2.6)	(2.7)
Total Spend	331.0	346.4	360.3
Total Resources	326.9	338.6	350.9
Funding Gap	4.1	7.8	9.4
Unallocated General Fund b/fwd	-8.8	-4.7	3.1
Unallocated General Fund c/fwd	-4.7	3.1	12.5

24. The table above does not reflect forecast delivery against the existing budget. There are emerging pressures on Adults’ Services and Children’s Services offset by use of contingencies, treasury management savings and other favourable variances. More detail will be reported to Cabinet in August.

25. Alongside revised charges and reintroducing charging for 1 & 2 hours on all current pay and display car parks (see Appendix F), it is recommended that approval is given for the Director of Environment to progress with on street parking charges and charges on currently free car parks in town centres during 2025/26. This will take place following scrutiny by the Environment Select Committee, consultation in each area according to the required TRO process, and agreement on fees and charges in consultation with the Cabinet Member for Environment. Proposals for associated capital and

revenue budget changes will be brought back to Cabinet and Council in due course.

Capital

26. The Council's capital expenditure in 2023/24 totalled £98.7m, as shown in the table below. A comparison with budget is shown in Appendix G

Service	£'000
Public Sector Housing	52,175
Private Sector Housing	7,783
Environment	4,846
Transport	9,887
Regeneration and Corporate Landlord	15,799
Culture, Leisure & Bereavement	827
Schools and SEND	5,226
Social Care, Health and Well Being	222
Digital, Commercial & Customer Services	1,930
Total Expenditure	98,695
Funded by:	
Revenue	3,598
Major Repairs Reserve (Housing)	25,250
Capital receipts	8,027
Grants and contributions	43,822
Capital Financing Requirement	17,997
Total Funding	98,695

27. Table below summarises the *current* 3 year capital programme updated where appropriate to reflect latest scheme spending profiles.

	2024/25 £'000	2025/26 £'000	2026/27 £'000
Public Sector Housing	79,900	92,300	93,400
Private Sector Housing	12,299	71	71
Environment	10,289	8,179	5,443
Transport	15,138	8,646	7,996
Regeneration and Corporate Landlord	21,374	13,935	4,448
Culture, Leisure and Bereavement	3,116	1,500	1,536
Schools and SEND	20,760	23,204	8,000
Social Care, Health and Well Being	1,954	0	0
Digital, Commercial and Customer Services	1,295	1,369	1,095
Total spend	166,125	149,204	121,989
Revenue	4,430	3,635	3,396
Major Repairs Reserve (Housing)	25,800	26,316	26,842
Capital receipts	32,754	48,998	31,780
Grants and contributions	45,032	15,498	9,093
Capital Financing Requirement	58,109	54,757	50,878
Total funding	166,125	149,204	121,989

Note that the capital programme is subject to the availability of government funding.

28. Amendments to the Capital Programme are in normal circumstances made by Council following approval by Cabinet. The proposed amendments in paragraphs 31-34 are urgent and cannot reasonably be deferred to the next available meeting of the Council. They can therefore be approved by Cabinet as allowed by the Council's Constitution in these circumstances. The decision will be reported to Council for information.

UK Shared Prosperity Funding Year 3 Allocation

29. Following approvals at the 16th March 2023 Cabinet, the proposed funding allocation for year 3 UK Shared Prosperity Funding (UKSPF) has now been received from the West Midlands Combined Authority which includes a capital funding allocation of £1,201,558.00 for 2024/25 as part of the Community & Place Pillar (£350,000) and West Midlands regional business support programme (£851,558). The capital budget is therefore to be amended to reflect the full capital funding received for the 3 year period, totalling £2,033,554.
30. The intention is to provide capital grants to local businesses by way of an SME Grants and Net Zero Grants programme and will be a continuation of the year 2 grants programme. With regards to the Communities & Place funding, it is the intention to launch an internal expression of interest to council directorates to identify potential projects to access funding of up to £155,000 that will support the delivery of UKSPF outputs and follows the success of a similar call for projects undertaken in 2023/24. In addition, £100,000 capital funding will be allocated to the UKSPF Crowdfunding Project.

Energy from Waste

31. In order for the Energy from Waste (EfW) plant to continue to operate reliably and generate electricity to fulfil the hedging strategy of the Power Purchase Agreement (PPA) it has been identified that over 5 years the capital investment required is £6.5m which is an increase of £1.9m from the previously agreed capital programme. This additional investment in the EfW plant will be funded by revenue growth already agreed through the MTFS process as part of the 2024/25 budget.
32. It is recommended that £1.9m is added to the Capital Programme.

Tiled House

33. Tiled House is a reablement unit within the Dudley Borough which provides integrated reablement support. It provides person specific

care to meet the persons need when they are discharged from hospital or have a crisis in the community to avoid a hospital admittance. Tiled House provides a multi-disciplinary service for patients discharged from hospital to help them regain their independence to return home to remain as independent as possible for longer to prevent further decline and readmission back into hospital. This is also supported with Package of care support as well as home of choice which is supported by DMBC Social Work teams. Tiled House gives service users at time of a crisis a better experience with positive personal goals and outcomes.

34. The existing boiler malfunctioned and was checked and found to be beyond repair. A new boiler system required installation to ensure Tiled House has hot running water for Dudley MBC residents when using Tiled House facility. The boiler will provide a safe and up to date system to ensure that the building is safe and meets health and safety regulations for all the service users and staff. Hot water is a necessity when providing care and support for a CQC regulated activity. The proposal fits into the borough vision that DMBC is a place of healthy resilient, safe communities. It is recommended that the necessary budget of up to £60,000 is brought forward from 2027/28 into year 2024/25 of the Capital Programme.

Finance

35. As set out in paragraph 8, the Council has a relatively low level of reserves. The External Auditors have on a number of occasions highlighted this fact, as well as the relatively low level of spending and Council Tax. Although the outturn for 2023/24 is £1.1m better than expected in March, it is still £7.9m worse than budget. Full Council in March was technically able to set a lawful budget for 2024/25. However, this left little scope to meet unexpected pressures and the Director of Finance and Legal highlighted the risk that during the next year it will be necessary to issue a notice under Section 114 of the Local Government Finance Act 1988. Approval of the proposed savings in paragraph 22 and Appendix F will help to improve the position, but the risk remains significant.

Law

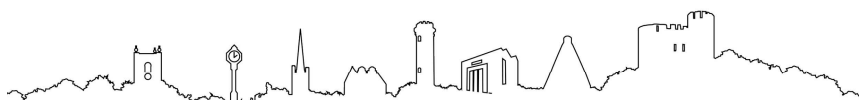
36. The Council's budget setting process is governed by the Local Government Finance Acts, 1988, 1992, and 2012, and the Local Government Act 2003.

Risk Management

37. The Corporate Risk Register recognises the risk that the Council may be unable to set and/or manage its budget so as to meet its statutory obligations within the resources available. At the last review point, this risk was allocated the rating of 20 (Very High). This rating will be reviewed in the light of the resolutions of Cabinet and Council.

Equality Impact

38. Section 149 of the Equality Act 2010 - the general public sector equality duty - requires public authorities, including the Council, to have due regard to the need to:
- eliminate discrimination, harassment and victimisation and other conduct that is prohibited by the Act;
 - advance equality of opportunity between people who share a protected characteristic and those who don't;
 - foster good relations between people who share a protected characteristic and those who don't.
39. Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it
 - encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.



40. The duty covers the protected characteristics of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. In line with the Public Sector Equality Duty, Directors were asked to identify which savings proposals may have a significant impact on people who share a protected characteristic and to complete equality impact assessments on these proposals in order to establish the extent of the impact. These are published on the council's website at: <https://www.dudley.gov.uk/council-community/equality/plans-policies-and-reports/equality-impact-assessments/>

41. In making decisions on budget proposals, Members need to have due regard to the Public Sector Equality Duty alongside the forecast financial position, risks and uncertainties set out in this report. For the identified savings proposed within this report, one Equality Impact Assessment has been completed at the time of writing in relation to Dudley Council Plus. Each service leading the proposals **must** complete an Equality Impact Assessment prior to Cabinet on 8th August and Council on 22nd August when final approval is sought, to ensure the correct due diligence can be undertaken.

Human Resources/Organisational Development

42. There are no direct Human Resource or Organisational Development implications of this report.

Commercial/Procurement

43. There are no direct Commercial or Procurement issues arising from this report.

Environment / Climate change

44. There are no direct climate issues arising from this report.



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Kevin O'Keefe
Chief Executive



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Iain Newman
Director of Finance and Legal Services

Contact Officers:

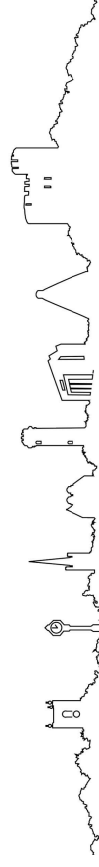
Rachel Cooper, Head of Financial Services

Telephone: 01384 81 4844 email: Rachel.cooper@dudley.gov.uk

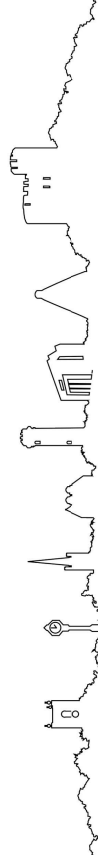
Appendix A

2023/24 Provisional General Fund Outturn Position

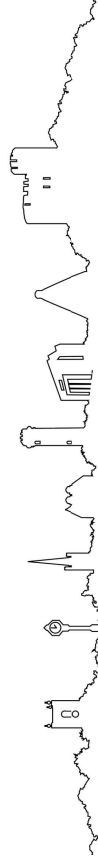
Directorate	Final Service Budget £'000	Provisional Outturn £'000	Variance £'000	Comment
Chief Executive	6,778	6,298	(480)	
People and Inclusion	3,152	2,691	-461	Staff car park permits (£43k), Occupational Health (£38k), vacancy savings (£332k), saving on software development and HR assistance project (£48k)
Communications and Public Affairs	993	911	-82	Shortfall on Musicom £72k and £32k net pressure in Registrars for higher staff costs and property costs partly offset by additional income. Saving of (£186k) in staff savings and additional income.
Chief Executives Office	2,633	2,696	63	Salary costs £193k and non pay pressures £25k offset by reduction in spend on strategic contingency (£155k).



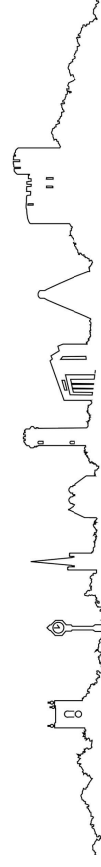
Adult Social Care		110,123	117,114	6,991
Dudley Disability Service	53,690	60,533	6,843	Bed based pressure £2,333k arising from 4 long term placements. Community Services pressure of £4,809k arising from 86 extra clients and +£87 pw increase in costs, backdated Business Rates at Ladies Walk £217k. Offset by (£516k) in vacancy savings.
Assessment and Independence	42,647	42,078	-569	Additional 316 clients £86k, salary pressures £70k, £280k other pressures. Offset by additional grants & joint funding (£1,005k).
Access & Prevention, adults commissioning, Performance & complaints	9,325	9,341	16	Shortfall on Telecare income (£42k council tenant, £50k private income less additional staff saving £56k). Net staffing pressures £80k, offset (£100k) Public Health switch for carers.
Adult Safeguarding & Principal Social Worker	1,828	1,645	-183	Net salary savings (£183k)
Integrated Commissioning	4,286	4,267	-19	Net salary savings (£19k)
Other ASC	-8,205	-8,470	-265	Net Salary savings (£50k); Release of reserves (£150k – CQC and Workforce). Net salary savings (£65k). Note: £100k CQC reserve contribution to DCX Sustainable Plan.
Adult Mental Health	6,552	7,719	1,167	Supported living £666k, Residential care £550k, other care costs £46k, £79k Woodside pressure off set by net salary savings (£174k).



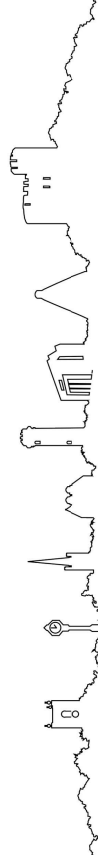
Children's Services		81,565	86,233	4,668
Adolescent Safeguarding		4,465	4,044	-421
Mainly vacancy savings (£445k) and use of Supporting Families grant (£153k), £21k reduction in income due to redesign. Net pressure of £156k including Section 17 payments				
Family Safeguarding		5,062	4,630	-432
Mainly vacancy savings (£659k) and use of Supporting Families grant (£204k), lagged start for external staffing reduced in year public health grant income by £262k which will roll into 24/25 (no net impact). Net pressure of £169k including Section 17 payments				
Through Care		8,713	8,182	-531
(£489k) vacancy savings, (£30k) net income from various grants, (£12k) saving lower costs for LAC payments				
Placements		29,826	36,560	6,734
Placement costs: pressures in external residential £5.3m, supported accommodation £2.0m, Independent Fostering Allowances £0.6m and Family Assessment Centres £0.4m. Gross pressures of £8.3m partly offset by savings in Staying Put (£0.2m), fostering (£0.4m), former children's homes (£0.4m), secure accommodation (£0.4m), UASC (£0.1m), connected persons (£0.1m)				
Front Door and Partnerships		2,588	2,408	-180
(£91k) Vacancy savings and use of Supporting Families grant (£89k)				
Safeguarding Practice & QA		2,864	2,802	-62
Vacancy savings (£98k), net £10k loss of contribution to Education roles following redesign. £26k overspend on non pay				
Other Children's Services		1,783	1,610	-173
(£93k) agency saving, (£47k) snr staff input to grants, (£38k) DFE Leadership income, (£48k) Court income, (£90k) reserve release. £143k non pay overspend due to legal related costs				
Children's Admin		3,361	3,160	-201
Vacancy savings.				
Commissioning and Governance		1,253	1,602	349
Pressure on social care transport £124k (see Home to School transport below), agency costs £225k				



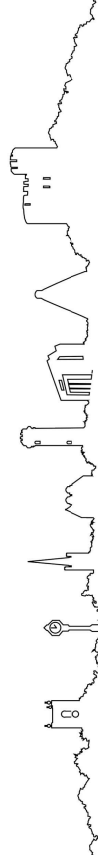
Family Solutions	5,572	4,530	-1,042	Use of Family Hub and Supporting Families grants to fund staffing activity (£585k), Public Health grant reserve support (£270k), other net savings (£187k)
Lead for Education Outcomes	10,460	11,049	589	Home to School Transport £733k, Coseley School site costs £145k, partly offset by vacancy savings and trading income (£289k)
Children's Disability Service and SEN Team	5,618	5,658	40	Direct payments (£154k), SEND team staffing £143k, Tipton Road £33k (agency staff, utilities and training), other £18k



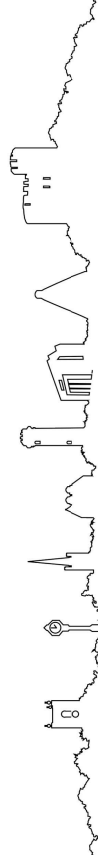
Digital, Commercial and Customer Services		16,517	15,322	-1,195
Commercial	210	190	-20	Pressure on Pay £5k (Pay award pressure £10k and staff savings of -£5k), £5k Consultant fees pressure, release of (£50k) reserve, (£70k) additional income from DGFL including contributions to staffing, offset by £90k reserve requests for 24/25.
Procurement	617	521	-96	Staffing saving of (£175k), (£2k) additional schools income, (£9k) saving on internal recharges, £70k reserve roll forward into 24/25, £53k pressure for Atamis Ltd offset with (£29k) public health contribution other savings (£4k)
Libraries	4,494	4,533	39	Pressures of £5k Rent and Service Charges, £21k Legal Fees, £8k Consultants £4k Insurance, £1k Income not achieved.
Digital Customer Services	4,034	3,538	-496	Staffing saving of (£656k) (Pay award pressure £164k, agency pressure £49k, £30k overtime pressure vacancy savings £899k), utilities pressure of £36k and (£4k) saving on other expenditure, £30k pressure on consultants and £31k pressure on internal trading income. £67k CEC Rebate
Technology Systems and Services	7,162	6,540	-622	Staffing saving of (£401k) (£76k pay award, offset with vacancy savings of £424k), £31k pressure for dilapidations at the wallows, £165k reserve requests, £269k pressure on print (£237k income pressure, £29k cost pressure). (£374k) additional recharges out in year (telephony £165k, Electrical Works £59k and £150k works linked to council house refurb) , (£229k) saving on contracts (Microsoft) (£250k) Saving on CERA due to grant switch, (£36k) other net cost savings, £40k Fit for the Future Reserve. £163k CEC Rebate



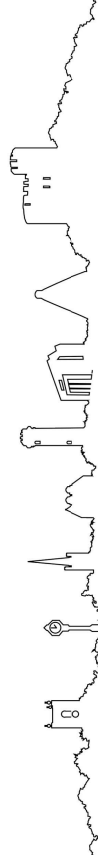
Environment		50,386	52,348	1,962
Waste & Transport Operations	11,638	12,645	1,007	<p>Staffing £607k (of which pay award £228k, agency / sickness cover £1,930k, offset by vacancies (£1,602k) plus other staffing pressures of £51k including training). Favourable Income (£215k): (of which Dry recycling plastics (£132k), Extended Garden Waste (£58k), vehicle sales (£78k), (£28k) other income, Shortfall on Waste Business Income £40k, Pest Control Income £23k and Narrowboat Way income £18k). Utilities Pressure of £80k (£68k due to inflation), Transport related £440k; (Contracted out work £256k, Tyres £152k, Parts £172k, cost of capital £246k, Spot Hire £369k, £32k other costs, offset by fuel savings (£212k), Saving on Leasing costs (£575k)). Other Costs £95k bags and boxes £47k, barrier works £35k, and other costs of £13k</p> <p>Staff saving (£196k), Energy from Waste contract £2,074k (of which PPA income shortfall £1,117k, Commercial waste income £276k, EfW R&M cost £1,413k, Increased fire suppression cost £77k, Increased CERA for dilapidations work £10k, release of disputed dilapidation provision (£243k), saving street Sweeps costs (£60k) offset with unplanned diversion costs £207k, pressure on NNDR £64k, reduced payments to contractor due to lower income (£418k), reduced insurance premiums (£239k), release PPA reserve (£280k) and creation of £150k Reserve Request for EfW Strategy Consultancy). Household Waste Recycling Centre contract uplift inflation £157k, Pop up £9k, Textec £102k, offset with other savings of (£39k)</p>
Energy, Sustainability and Climate Change	6,595	8,702	2,107	



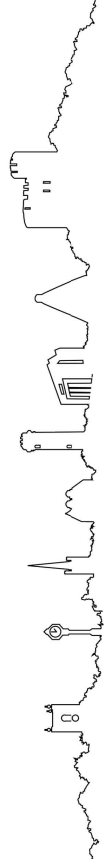
Neighbourhood Services	11,933	11,545	-388	<p>Net staffing savings (£1,620) includes Car Park Enforcement Staff resulting in reduced income, shortfall on income of £1,017k (pay and display income £164k, Street fines £679k, Car Park Fines £37k, Season tickets £63k street scene income £74k) savings on vehicles including fuel (£57k), Utility Pressure of £101k, other pressures £171k (£47k computer equipment & systems, £100k Reserve request £24k CEC Rebate).</p> <p>Net staff savings (£595k), offset by utilities £251k due to price inflation and £62k due to usage during roll out of infrastructure improvements, Material Costs (Salt) £120k, Vehicle Saving (£83k), Other costs pressure £156k (£151k stock adjustment, £20k Legal Fees, £41k increased works, £34k Other, offset with (£90k) reversed CERA), Favourable Income on (£199k) permit scheme, (£26k) fines . Other savings (£250k) release of reserve and increased capitalisation of larger Highway works</p>
Transport & Highways Services	20,220	19,456	-764	



Regeneration and Enterprise		14,003	15,229	1,226
Culture, Leisure & Bereavement Services	-377	1,434	1,811	Bereavement: £717k (of which utilities +£140k, shortfall of income +£511k, other +£66k). Halls, Himley, Market & Museums +£186k (of which net staffing costs +£125k, Utilities +£94k, shortfall of income +£7k, other -£40k). Leisure Centres £951k (of which +£525k net staff costs, utilities +£444k, Wellington Rd business rates +£152k; other supplies & services +£285k, increased income -£455k). Executive Support -£43k (of which net cost of interims +£0k, less other s & s savings -£43k).
Planning	1,919	2,063	144	Net staff savings -£287k offset by income shortfall +£601k, other supplies and services -£170k.
Economic Growth & Skills	2,439	680	-1,759	One-off windfall re Black Country Legacy funds -£305k , maximising Adult and Community Learning external funding -£200k, Other favourable variance being mainly Enterprise Zone budget -£223k , Impact Project surplus -£435k and maximising the use of UKSPF/CWG Legacy funds and general underspends -£596k .
Corporate Landlord Services	6,383	7,245	862	Catering Commercial £710k (of which Staffing £216k, external income £726k, provisions -£253k, other +£21k). Schools Catering +£335k (of which Staffing -£520k, internal income +£640k, external income +£385k, catering provisions -£238k other +£68k). Property -£183k (of which Staffing -£237k, utilities +£250k, Repairs & Maintenance - £259k, Construction and Design fees shortfall +£105k, other internal income +£45k, voids and NNDR £53k, CCTV other -£107k, external income +£150k, other supplies and services -£183k).
Projects and Placemaking	841	847	6	Minor variance



Regeneration Projects	2,798	2960	162	Release of unspent reserves Eton Project -£208k ; Stalled & Derelict sites -£37k plus reverse premium repayment +£296k ; creation of new reserves +£120k ; other minor variance -£9k
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Working as One Council in
the historic capital of the Black Country



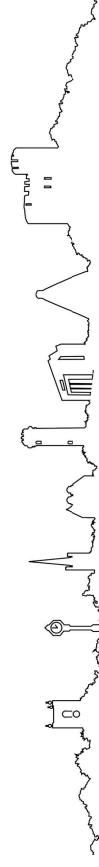
Corporate and Treasury	11,602	8,205	-3,397
Corporate	-25,052	-26,927	-1,875
Levies	15,020	15,835	815
Treasury	21,634	19,297	-2,337
Total Service Costs	312,377	321,730	9,353
Total Funding	-307,271	-308,742	-1,471
USE OF UNALLOCATED GENERAL FUND BALANCE	5,106	12,988	7,882

Business Rate Tariff adjustment (£3.013m) contingency released offset by reserve adjustment (£0.321m) Pensions GF Over Recovery (£0.942m) WMPF invoices saving reduction in number of pensioners (0.073m) redundancy and pension strain costs net of budget available £0.958m and impairments of £1.516m for BCIMO, Resonance and increase in corporate impairment.

Reduced Share of WMCA contribution for 2023-24 (£0.051m) and deficit in 2023/24 due to latest profile re EZ modelling of the Black Country £0.867m – to be realised now in 2024/25

Lower borrowing costs and MRP compared to MTFS due to slippage, deferrals and lower interest rates (£1.971m) offset by higher HRA balances on usable reserves and high interest rates £0.893m. Higher interest rates on interest paid on trust balances £0.214m. Higher interest rates and payments compared to budget (£1.474m)

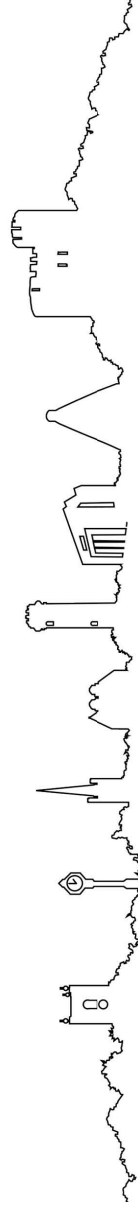
Council Tax supplement grant (£640k), Business Rates levy (£578k) and Business rates S31 (£4k) plant and machinery grant (£249k).



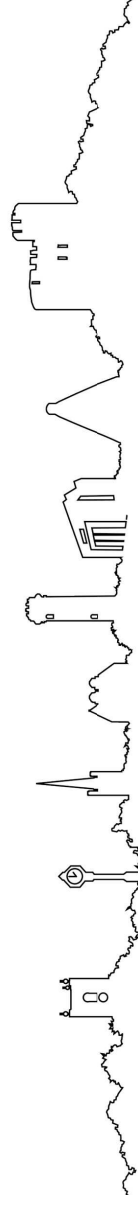
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Delivery of savings in current Medium Term Financial Strategy

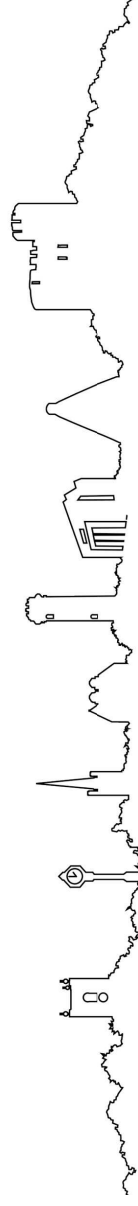
2023/24 Savings		Target 2023/24 £'000	Delivered 2023/24 £'000	Comment
Adults	Income generation through fairer cost policy change, financial reviews and implementing charge on first day of confirmation permanent stay in a care home	30	30	
Adults	Increase in joint funding agreements	600	600	
Adults	Transformation of service structures	370	370	
Adults	Application of eligible grant funding to support services	50	50	
Adults	Deploy pre-payment cards and apply new approaches to the financial oversight of Direct Payments	100	100	



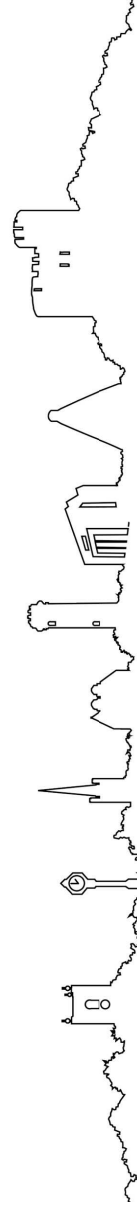
2023/24 Savings		Target 2023/24 £'000	Delivered 2023/24 £'000	Comment
Adults	Review, assessment, and appropriate financial packages of care	230	196	Continual progress is being made to review and assess to ensure that appropriate levels of care are being provided
Adults	New bed based banding framework	120	120	
Adults	Increase charges to Private residents for Telecare services	130	50	
Adults	Introduce charges to Council tenants for Telecare services	130	88	
Adults	Reduce the Creative Support contract by 50% when current extension ends	160	160	
	Total	1,920	1,764	



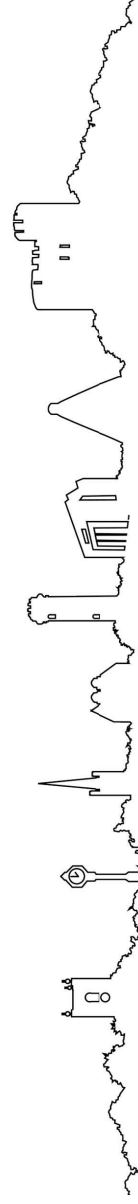
2023/24 Savings		Target 2023/24 £'000	Delivered 2023/24 £'000	Comment
Children's	Efficiency savings - review of expenditure budgets for low/medium risk areas inclusive of car mileage (post lockdown), supplies and services, premises, and a review of terminated pension agreements. Staffing savings arising from vacancy review	350	350	
Children's	Youth Justice Service - reorganisation following changes to service delivery	90	90	
Children's	Redirection of grant funding via partnership delivery to support Early Help	40	40	
Children's	Cessation of voluntary sector contract	30	30	
Children's	Education Business Partnership - vacancy review	30	30	
Children's	Families Come First - prior year growth funding released now service embedded	110	110	
Children's	Efficiency due to implementing market forces and avoiding excessive use of agency staff	100	100	
	Total	750	750	



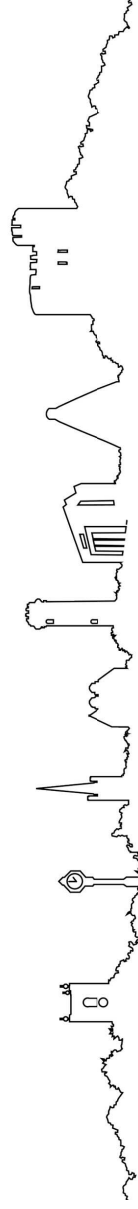
2023/24 Savings		Target 2023/24 £'000	Delivered 2023/24 £'000	Comment
CEX	Vacancy management in HR&OD	60	60	
CEX	Remove vacant Corporate PMO & Performance Support Assistant post	30	30	
	Total	90	90	
DCCS	Removal of ADSL on completion of Fibre Optic installations	10	10	
DCCS	Not recruiting a role on digital and a role in technology	70	70	
DCCS	Reduction in printing costs	30	30	
DCCS	Reduction in print and mailing costs	30	30	
DCCS	Virtualisation and consolidation of servers	30	30	
DCCS	Advancing to E5 Technology provides the most advanced functionality of Microsoft Office applications and additional security, giving an opportunity to rationalise other applications that are no longer required	100	70	
	Total	270	240	



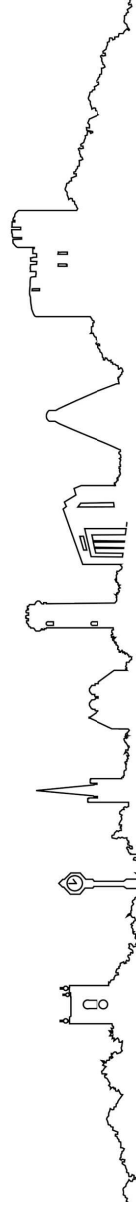
2023/24 Savings		Target 2023/24 £'000	Delivered 2023/24 £'000	Comment
F&L	Reduced costs of self-insurance	100	100	
F&L	Vacancy management in Revenues and Benefits	80	80	
F&L	Adjust Members' Allowance budget to reflect entitlement to no more than one responsibility allowance	50	50	
	Total	230	230	
H&W	Continued work on Public Health Grant funded substance misuse preventative measures, to reduce use of rehabilitation beds.	100	100	
	Total	100	100	
H&C	Staff costs to be met from Homelessness grants.	40	40	
H&C	Reduce abortive fees for Disabled Facilities Grants	10	10	
H&C	Reduce costs incidental to Disabled Facilities Grants	20	20	
	Total	70	70	



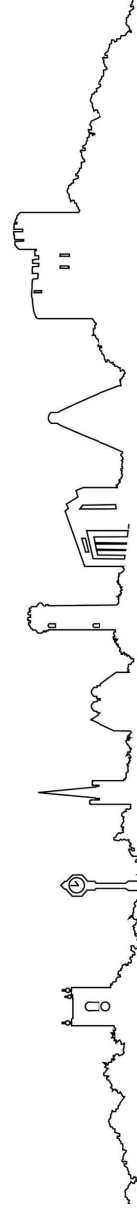
ENV	Review Depot security	40	40	
ENV	Parking - Review of charges (free hours remain)	140	0	
ENV	Utilise Symology as the IT system for Street Lighting and end the contract with Mayrise as from 31st March 23	10	10	
ENV	Street Lighting Energy- Invest to save proposal, LED lighting across the Borough	140	110	Project ongoing
ENV	Efficiencies for MOT's	50	50	
ENV	Stores review	170	170	
ENV	Fleet review	150	150	
ENV	Energy For Waste arrangements	2,000	0	
ENV	Review of parking enforcement	100	0	Work ongoing
ENV	Reducing Market Saturday Rounds from 2 to 1	10	10	
ENV	Savings from not deploying waste to HWRC	200	200	
ENV	Trade Waste - Round Optimisation	50	50	
ENV	Review of Green Care working practices.	80	80	
ENV	Savings from Directorate Restructure phase 1	30	30	



ENV	Depot review - Blowers Green	10	10	
ENV	Street Lighting efficiency review	70	70	
ENV	Changes to standby/call out arrangements for winter gritting	20	20	
ENV	Review of HWRC operating hours and current free surface car parks	250	0	Savings reversed
	Total	3,520	1,000	
R&E	Review and reduction in cleaning consultancy services	20	20	
R&E	Dell Stadium - to implement price changes from September 2022	30	30	
R&E	Saving of annual subscription to the Black Country Consortium as a result of the winding up of the BCLEP/BCC	50	50	
R&E	Leisure Centres - savings	560	560	
R&E	Himley - net increase in car park income and secondary spend due to increased visits as a result of the installation of Play Area.	70	0	Project delayed, but work has now started, will complete for Summer 2024

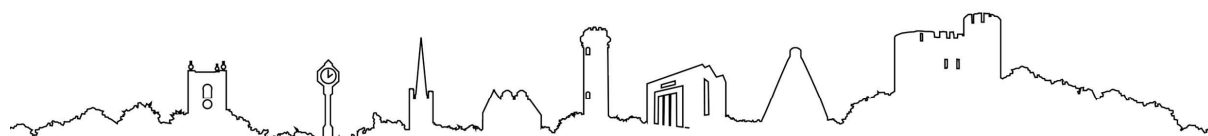


R&E	Halls - net increase in income from ticket sales, bar and food as a result of increased number of shows following additional capital investment of £550k	50	0	Budget rebased for 24/25
R&E	Estate rationalisation - Regent House Dudley	100	100	
	Total	880	760	
	Grand Total	7,830	5,004	



Reserves as at 31st March 2024

Reserves	£'000
Unallocated General Fund Reserve	8,762
Insurance Fund,	5,998
Successor - Adults	101
DLUHC Grant for ASC	19
Dept Health Workforce Grant for ASC	53
CQC Reserve/Grant	62
CSC Dud Hub & Corb Rd building repairs	9
ICB Surge Funding	232
DGFL	380
Paragon	1,595
Schools Cty, Extended Use and Other Reserves	1,933
S31-Covid Additional Relief Fund	5,696
SENDIASS - IASP grant	48
Supporting Families	202
Virtual School	305
DBV Programme Grant	782
Family Hubs	445
Homelessness Grant	519
Domestic Abuse Grant	812
Planning Grant: Biodiversity net gain Grant	9
Planning Grant: Design Code Pathfinder Grant	23
Levelling Up Capacity Funding	55
Long Term Plan for Towns Capacity Funding	34
UK Shared Prosperity Funding	207
CWG Legacy Enhance Fund	3
Procurement	70
Leisure Concession	90
ICT Restructure & Cyber Resilience	100
Community Forums	269
Adults - Safeguarding Board	78



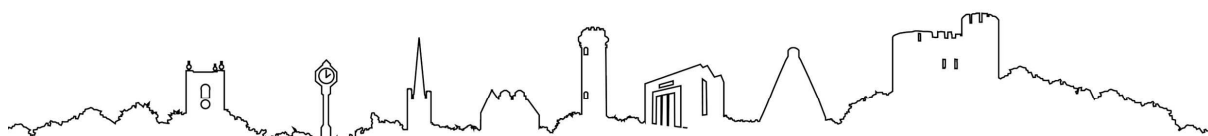
Children's Safeguarding Board	106
OFSTED Improvement	100
Coseley Site Management	100
Early Years Grants	80
Unit 4 Development and Migration	50
HR&OD	24
Procurement of HR System	150
CIL - Neighbourhood Element	323
BC Core Planning	65
Transit Sites	200
Digital Platform Implementation	323
Digital Staff Upskilling	90
Digital GMIS (STATMAP)	40
Sustainable Plan	140
MyTree Software and Additional Tree Works	100
EfW Consultancy	150
RPA Robotics	25
Data Centre Consolidation and Modernisation	120
ITSM Consultancy	20
Ice Rink - Economic Impact Assessment	20
Salford House	50
Impact Project Residual Staffing Costs	50
Total Earmarked General Fund Reserves	22,455
Public Health Grant	4,609
Dedicated Schools Grant⁴	6,188
Housing Revenue Account	11,081

⁴ Does not include deficit on central DSG (High Needs Block). This is held as an unusable negative reserve while the statutory override remains in place

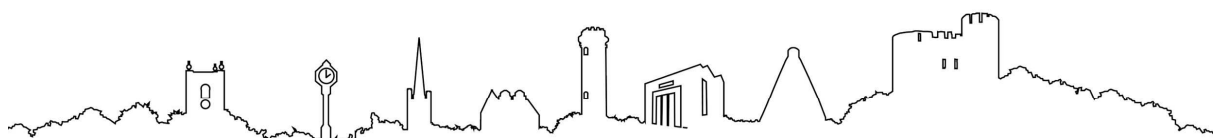


Housing Revenue Account 2023/24 Provisional Outturn

	Budget £'000	Provisional Outturn £'000	Variance £'000	Comments
<u>Income</u>				
Dwelling rents	-96,233	-95,826	407	Stock profiling & voids
Non dwelling rents	-750	-821	-71	Other rent & aerals
Charges for services and facilities	-200	-383	-183	Increased heating charges
Contributions towards expenditure	-1,130	-2,975	-1,845	Resettlement grant & income from other areas HRA
Interest on Balances	-80	-1,278	-1,198	Higher interest rates and balances
Total income	-98,393	-101,283	-2,890	
<u>Expenditure</u>				
Finance	2,586	2,739	153	(£0.2m) Vacancies , £0.5m income transferred to income line above, (£0.1m) other variances.
Community Safety	1,432	1,661	229	£0.6m resettlement spend (net off against grants in income), (£0.2m) ASB reduced legal charges, (£0.2m) vacancies
Strategy	1,867	1,378	-489	(£0.3m) reduced IT costs, (£0.3m) vacancies, £0.1m other variances.
Management & Admin	9,034	9,409	375	£1m CEC from Assets (RMC), £0.1m Telecare recharge (offset on Community Housing),



				(£0.4m) CEC refund, (£0.2m) released contingencies, other variances (£0.1m)
Community Housing	11,237	10,683	-554	(£0.1m) Telecare recharge transferred to Management, £0.5m Gas & Electric, vacancies (£1.0m)
Overheads	-11	-11	0	
Responsive & cyclical repairs - Maintenance	14,985	16,406	1,421	£1m disrepairs, reduced capitalisation £0.5m, vacancies (£0.2m) (after capitalisation)
Responsive & cyclical repairs - Assets	11,392	10,497	-895	£3.3m Stock Condition Survey, (£1m) CEC to Management, (£1.2m) reduced profiles, (£1.8m) increased capitalisation (PH Jones)
Depreciation and impairments of fixed assets	25,661	25,250	-411	Rebased calculation
Interest Payable	17,714	18,383	669	Maintained higher interest rates
Other Expenditure	1,681	1,515	-165	DHP less than budgeted
Total expenditure	97,578	97,910	333	
Total: surplus or deficit for the year	-815	-3,373	-2,557	

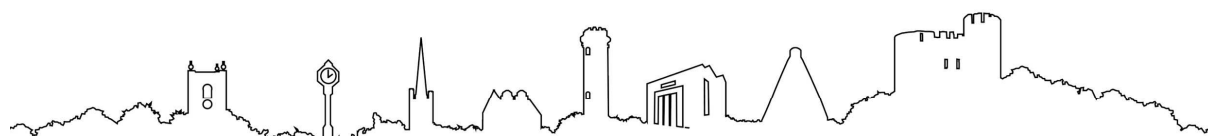


Additional Spending

Finance and Legal Services	Category	2024/25 £'000	2025/26 £'000	2026/27 £'000
Additional post within Democratic Services to support additional committees	EM	50	50	50
Increased cost of Members Allowances mainly due to additional committees	EM	52	52	52
Total		102	102	102

Key

EM – Elected Member priority

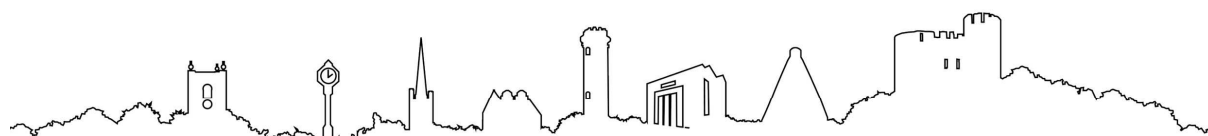


Proposed Savings

Adult Social Care	2024/25 £'000	2025/26 £'000	2026/27 £'000
Contribution from Public Health Grant towards the Pleased to Meet You service	300	300	300
Total	300	300	300

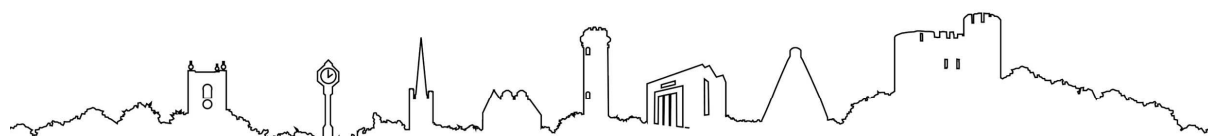
Children's Services	2024/25 £'000	2025/26 £'000	2026/27 £'000
Contribution from Public Health Grant towards supporting children to be ready for school, with a focus on those in the most deprived areas	100	100	100
Total	100	100	100

Digital, Commercial and Customer Services	2024/25 £'000	2025/26 £'000	2026/27 £'000
Closure of Walk in Facility and Premises at Dudley Council Plus from 1st January 2025	0	130	200
Total	0	130	200



Environment	2024/25 £'000	2025/26 £'000	2026/27 £'000
Reintroduction of 1 hour (£2) and 2 hour (£2.50) parking charges, and increasing other charges as follows - 3 hours from £2 to £3, 4 hours from £3 to £4, all day from £5 to £6.	980	1,960	1,960
Total	980	1,960	1,960

Housing and Communities	2024/25 £'000	2025/26 £'000	2026/27 £'000
Contribution from Public Health Grant towards private sector housing to lead on implementing the housing and health programme	116	116	116
Total	116	116	116



Appendix G

2023/24 Provisional Capital Outturn

	Budget as reported at June 2023 Cabinet	Additions / Transfers / Other Amendments	Slippage	Revised Budget	Final Outturn	Variance	Notes
Public Sector Housing	65,158	-6,258	-6,725	52,175	52,175	0	
Private Sector Housing	18,868	-6,035	-5,050	7,783	7,783	0	
Environment	19,306	611	-15,181	4,736	4,846	110	1
Transport	13,216	2,258	-5,586	9,888	9,887	-1	
Regeneration & Corporate Landlord	20,767	111	-4,977	15,901	15,799	-102	2
Culture, Leisure & Bereavement	5,381	-3	-4,630	748	827	79	3
Schools and SEND	31,950	9,807	-36,531	5,226	5,226	0	
Social Care, Health & Wellbeing	907	1,269	-1,954	222	222	0	
Digital, Commercial & Customer Services	1,882	430	-383	1,929	1,930	1	
Totals	177,435	2,190	-81,017	98,608	98,695	87	

Notes

1. Overspends on Energy from Waste of £97k, tennis courts project £12k and Greenspaces £1k all funded by extra CERA
2. Underspend on grant funded projects balanced by reduced grants received
3. Round Oak overspend of £31k funded by reserves, £48k Stourbridge Crematorium works overspend funded by CERA

