

## **Meeting of the Council**

**Monday, 15<sup>th</sup> July, 2024 at 6.00pm**  
**in the Council Chamber**  
**The Council House, Priory Road, Dudley**

You are hereby summoned to attend a meeting of the Dudley Metropolitan Borough Council for the purpose of transacting the business set out in the numbered agenda items listed below.

### **Agenda - Public Session** **(Meeting open to the public and press)**

#### Prayers

1. Apologies for absence
2. To receive any declarations of interest under the Members' Code of Conduct
3. To confirm and sign the minutes of the annual meeting of the Council held on 16<sup>th</sup> May, 2024 as a correct record (Pages 9 - 25)
4. Mayor's Announcements
5. To receive reports from meetings as follows:

Meeting of the Cabinet dated 15<sup>th</sup> July, 2024

Councillor P Harley to move:

- (a) 2023/2024 Provisional Revenue and Capital Outturn and Medium Term Financial Strategy  
(Pages 26 - 70)

Meetings of the Audit and Standards Committee dated 24<sup>th</sup> April and 8<sup>th</sup> July, 2024

Councillor K Denning to move:

(b) Annual Report of the Audit and Standards Committee 2023/24  
(Pages 71 - 82)

(c) Treasury Management (Pages 83 - 92)

6. Constitution and Related Matters (Pages 93 - 97)

7. Notices of Motion

(a) To consider the following notice of motion received from Councillor S Phipps on 16<sup>th</sup> May, 2024:

Police Station Closures

In a report to the West Midlands Strategic Police and Crime Board on 24<sup>th</sup> October 2023, Police and Crime Commissioner, Simon Foster, proposed the closure of thirty police stations across the West Midlands, including two in the Dudley Borough: Brierley Hill and Halesowen.

This Council recognises that many members of the public wish to see neighbourhood police officers based in their local area and for them to be visible in our communities. Petitions have been collected to demonstrate opposition to the proposed closures, including a petition of over 600 names submitted to West Midlands Police by James Morris MP, and a petition of 870 names submitted by Councillors Adam Davies and Wayne Little.

The closure of Brierley Hill Police Station would also see the only publicly accessible front desk within the Dudley Borough moved to the borough's northern edge at Castlegate. This is far less accessible than the existing front desk which is located within the strategic centre of the borough and can be better accessed by people from Halesowen, Wordsley, Kingswinford, Stourbridge and Brierley Hill.

The Council notes the report states that Neighbourhood Policing Teams would be relocated in their local area when these police stations are closed. However, there has been no formal discussions with local stakeholders, including elected members, to establish how this will be achieved and when.

The Council notes that the record of successive Police and Crime Commissioner's to restore a base for the Stourbridge Neighbourhood Policing Team has been poor.

Whilst Stourbridge Police Station closed in 2017, a new base has only just been announced but no information has been released as to when this will open.

Therefore, this Council recognises the risk that both Brierley Hill and Halesowen police stations may close without Neighbourhood Policing Teams retaining an acceptable local base from which to work. This would mean officers are relocated away from our towns in far more remote bases to the communities they help to protect, and the public would have farther to travel to access a publicly accessible front desk amongst the majority of the south and west of the borough.

Additionally, this Council recognises the strategic placement of Brierley Hill Police Station within the strategic centre of Dudley Borough. The Council notes the work that has already been undertaken, prompted by the work of Councillors Adam Davies and Wayne Little, with regards to retaining the police station building as a facility for public sector workforces and services – including West Midlands Police Teams that serve the nearby geographic area.

This Council therefore resolves to:

- Instruct the Chief Executive to write to the Chief Constable of West Midlands Police requesting formal consultation with Dudley Council's Elected Members in the areas covered by both the Halesowen and Brierley Hill Neighbourhood Policing Teams, and Response Team in the case of Brierley Hill.
- Instruct the Leader of the Council to write to West Midlands Police and Crime Commissioner, Simon Foster, informing him of

this Council's resolve to ensure both Halesowen and Brierley Hill police stations remain open, unless a sufficient alternative base is found and only when the existing Neighbourhood and Response Policing Teams have been relocated should any existing stations close.

- Instruct the Deputy Chief Executive to continue her work with stakeholders to retain the Brierley Hill Police Station building for public sector use, including as a base for the Neighbourhood and Response Policing Team and a publicly accessible front desk, and writes to the Mayor of the West Midlands to request his support for this project through the One Public Estate programme.
  - Request the Chairs of the relevant Your Home, Your Forum meeting to include an agenda item to discuss the proposed station closures, and formally invite representatives from West Midlands Police to attend and present their proposals to the meeting.
- (b) To consider the following notice of motion received from Councillor S Keasey on 17<sup>th</sup> June, 2024:

Plan for Tackling Trees on Council Land Causing Extreme Nuisance

This Council instructs the Cabinet Member for Highways and Environmental Services to draw up a comprehensive plan for addressing trees on Council land that cause extreme nuisance. This plan should include:

1. A clear definition of what constitutes an 'extreme' nuisance in terms of trees.
2. Specific actions that can be taken to mitigate such nuisances.
3. A realistic assessment of the potential costs associated with implementing these actions.

Trees are undeniably a beautiful and integral part of our landscape, providing numerous environmental and aesthetic benefits. They enhance the visual appeal of our neighborhoods, improve air quality, and offer habitats for wildlife. However, it is also acknowledged that in certain situations, trees can become a source of significant nuisance to residents.

Examples of such nuisances include:

- Blocking natural daylight, thereby reducing the quality of life and increasing costs for those affected.
- Physical contact with properties, potentially causing damage or posing safety risks.
- Excessive leaf drop during autumn, leading to clogged drains, slippery paths, and increased maintenance requirements.

Currently, Council policy addresses trees that are dead, dying, or dangerous. While this policy is essential for managing immediate safety concerns, it does not adequately cover scenarios where trees cause extreme nuisance but do not fall into the aforementioned categories.

Expanding the policy to include trees causing extreme nuisance is necessary for the following reasons:

- **Quality of Life:** Prolonged reduction in daylight can lead to increased energy consumption and negatively impact mental health and well-being.
- **Property Damage:** Trees that physically touch or overhang properties can cause structural damage, potentially leading to costly repairs.
- **Maintenance and Safety:** Excessive leaf drop can create hazardous conditions on public pathways and increase the burden on municipal maintenance services.

Specific proposals are:

1. **Definition of Extreme Nuisance:** Develop a comprehensive definition that includes criteria such as the degree of daylight blockage, proximity to property and volume of leaf drop.
2. **Mitigation Actions:** Outline practical steps that can be taken to reduce the nuisance, such as pruning, crown thinning, or selective removal. Establish guidelines for prioritising actions based on the severity of the nuisance and the impact on residents.

3. **Cost Assessment:** Evaluate the financial implications of implementing these measures, including both initial costs and potential long-term savings from reduced maintenance and damage prevention.

By addressing these issues, the Council can balance the preservation of our natural landscape with the need to ensure a high quality of life for all residents.

Instructing the Cabinet Member for Highways and Environmental Services to develop this plan will demonstrate our commitment to proactive and responsive governance. It will ensure that our policies evolve to meet the changing needs of our community, safeguarding both our natural environment and the well-being of our residents.

The Council hereby approves this motion and instructs the Cabinet Member for Highways and Environmental Services to present the outlined plan at the next appropriate meeting.

8. Questions from Members under Council Procedure Rule 11
9. To consider any business not on the agenda which by reason of special circumstances the Mayor is of the opinion should be considered at the meeting as a matter of urgency under the provisions of the Local Government Act 1972

**Distribution:** All Members of the Council



**Chief Executive**

**Dated: 5<sup>th</sup> July, 2024**

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**Minutes of the Annual Meeting of the Council  
Thursday, 16<sup>th</sup> May, 2024 at 6.00pm  
in the Council Chamber, The Council House, Priory Road, Dudley**

**Present:**

Councillor A Goddard (Mayor)  
Councillor P Lee (Deputy Mayor)  
Councillors A Ahmed, S Ali, K Archer, A Aston, P Atkins, S Azad, F Barras, C Bayton, D Bevan, I Bevan, H Bills, P Bradley, K Casey, B Challenor, S Clark, J Clinton, E Cobb, B Collins, M Cook, D Corfield, J Cowell, T Creed, A Davies, K Denning, P Dobb, P Drake, C Eccles, S Edwards, J Foster, S Greenaway, J Griffin, L Hamblett, M Hanif, D Harley, P Harley, S Henley, J Hill, A Hopwood, M Hussain, L Johnson, S Keasey, I Kettle, K Khan, E Lawrence, K Lewis, W Little, C Littler, P Lowe, Q Mughal, S Mughal, S Phipps, R Priest, A Qayyum, K Razzaq, C Reid, S Ridley, D Roberts, T Russon, P Sahota, I Sandall, A Smith, D Stanley, A Taylor, E Taylor, J Thorne, A Tromans, S Turner, M Webb and K Westwood together with the Chief Executive and other Officers.

**1 Election of Mayor**

The Mayor invited nominations for election to the office of Mayor of the Borough for the 2024/25 municipal year.

Councillor H Bills was nominated by Councillor P Harley. The nomination was seconded by Councillor P Lowe.

**Resolved**

That Councillor H Bills be elected Mayor of the Borough for the 2024/25 Municipal Year.

Councillor H Bills then made and subscribed to the Statutory Declaration of Acceptance of Office and took the Chair.

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2     **Election of Deputy Mayor**

The Mayor invited nominations for election to the office of Deputy Mayor of the Borough for the 2024/25 municipal year.

Councillor P Lee was nominated by Councillor P Harley. The nomination was seconded by Councillor P Lowe.

**Resolved**

That Councillor P Lee be elected Deputy Mayor of the Borough for the 2024/25 Municipal Year.

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3     **Acceptance of Office of Deputy Mayor**

Councillor P Lee made and subscribed to the Statutory Declaration of Acceptance of the Office of Deputy Mayor.

The meeting was then adjourned for robing to take place.

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4     **Address by the Mayor**

Following the adjournment, the Mayor addressed the Council expressing thanks upon her election.

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5     **Tributes to the Retiring Mayor and Mayor's Consort and Presentation of Badges**

Tributes were paid to the retiring Mayor (Councillor A Goddard) and retiring Mayor's Consort (Councillor J Clinton), followed by the presentation of badges.

Councillor A Goddard addressed the Council and expressed thanks for all the support that had enabled her to carry out her duties as Mayor.

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6     **Apologies for Absence**

Apologies for absence were submitted on behalf of Councillor E Stafford.

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7     **Minutes**

**Resolved**

That the minutes of the meeting held on 15<sup>th</sup> April, 2024 be confirmed as a correct record and signed.

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8     **Mayor's Announcements**

(a)   **Mayor's Consort**

The Mayor's Consort for the 2024/25 Municipal Year was John Bills.

(b)   **Deputy Mayoress**

The Deputy Mayoress for the 2024/25 Municipal Year was Gloria Lee.

(c)   **Mayor's Charities**

The Mayor's Charities to be supported in the 2024/25 Municipal Year were:

Diabetes UK  
Access in Dudley  
Friends of Dudley Performing Arts

(d)   **'At Home' Event**

To be held on a date to be arranged.

(e)   **Armed Forces Day**

To be held on 30<sup>th</sup> June, 2024.

(f) Civic Sunday

To be held on a date to be arranged.

(g) Black Country Musicom Festival

To be held on 13<sup>th</sup> and 14<sup>th</sup> July, 2024.

(h) Mayor's Charity Cricket Match

To be held at 6.00pm on 26<sup>th</sup> July, 2024 at the Memorial Ground, Amblecote, Stourbridge.

(i) Newly Elected Councillors

The Mayor welcomed Members who had been elected to the Council at the municipal elections on 2<sup>nd</sup> May, 2024.

(j) Former Councillors

The Mayor paid tribute to the service given by former Councillors who were not re-elected at the municipal elections on 2<sup>nd</sup> May, 2024.

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9 **Declarations of Interest**

No declarations of interests, in accordance with the Members' Code of Conduct, were received in respect of any item to be considered at this meeting.

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10 **Leader of the Council**

A report of the Lead for Law and Governance (Monitoring Officer) was submitted.

It was moved by Councillor P Bradley, seconded by Councillor S Clark and

## **Resolved**

That Councillor P Harley be elected as Leader of the Council in accordance with the provisions of the Council's Constitution.

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### **11 Appointment and Membership of the Cabinet and Committees for 2024/25 and Related Matters**

A report of the Lead for Law and Governance (Monitoring Officer) was submitted.

It was moved by Councillor P Harley, seconded by Councillor P Bradley and

## **Resolved**

- (1) That the information contained in the list circulated by the Leader concerning the appointment of the Deputy Leader and Members of the Cabinet for the 2024/25 municipal year, as set out below, be noted together with the designations of Cabinet Members:
  - (a) That Councillor P Bradley be appointed as Deputy Leader of the Council for the 2024/25 Municipal Year.
  - (b) That the Leader of the Council and nine other Members comprise the Cabinet for the 2024/25 Municipal Year and that the names of the Members to serve for the year be as follows:-

Councillors P Atkins, I Bevan, P Bradley, S Clark, J Clinton, D Corfield, A Goddard, P Harley, S Phipps and D Stanley.
  - (c) That each of the other political groups be invited to nominate Members to attend meetings of the Cabinet to speak but not vote.
  - (d) That the assignment of Portfolios to the Cabinet Members and the names of the corresponding Main Opposition (Labour) Group Spokespersons be as set out below:-

## Leader and Cabinet Members

<u>Councillor</u>	<u>Portfolio</u>
P Harley	Leader of the Council (Policy)
P Bradley	Deputy Leader (Communities, Climate Change and Economic Delivery)
A Goddard	Adult Social Care
D Stanley	Children's Services and Education
P Atkins	Corporate Strategy
S Clark	Finance, Legal and Human Resources
D Corfield	Highways and Environmental Services
I Bevan	Housing and Communities
J Clinton	Public Health
S Phipps	Without Portfolio

## Opposition Group Spokespersons (Shadow Cabinet)

<u>Councillor</u>	<u>Portfolio</u>
P Lowe	Opposition Group Leader (Policy)
J Foster	Opposition Group Deputy Leader (Human Resources, EDI and Legal)
S Ali	Finance and Digital
A Aston	Health and Wellbeing
S Ridney	Children's Services, Young People and Families
C Bayton	Climate Change and Environment
J Cowell	Housing, Communities and Leisure
K Casey	Highways and Street Scene
S Mughal	Commercialisation, Procurement and Audit
P Sahota	Regeneration, Skills and Employment

- (2) That the structure of Committees for 2024/25 be approved on the basis set out in the report and the lists circulated at the meeting.
- (3) That the terms of reference and functions of Committees, as set out in Part 3 of the Constitution, be approved subject to any consequential amendments arising from decisions made at this meeting.

- (4) That, with the exceptions referred to in the report, the composition and Membership of Committees for the 2024/25 municipal year be determined in accordance with the political balance requirements of Sections 15 and 16 of the Local Government and Housing Act 1989, as shown below:

	<u>Total</u>	<u>Conservative</u>	<u>Labour</u>	<u>Liberal Democrat</u>	<u>Independent</u>
Overview and Scrutiny Committee	11	5	4	1	1
Adult Social Care Select Committee	11	5	6		
Children's Services Select Committee (Excluding Co-opted Members)	11	5	5	1	
Environment and Regeneration Select Committee	11	5	5	1	
Fit for the Future/Council Sustainability Select Committee	11	5	5	1	
Health Select Committee (Excluding Co-opted Member)	11	5	6		
Housing and Safer Communities Select Committee	11	5	5	1	
Appointments Committee	9	3	2		

Audit and Standards Committee (Excluding Independent Members)	9	4	5	
Children's Corporate Parenting Board	12	6	6	
Planning Committee	9	5	3	1
Ernest Stevens Trusts Management Committee (Excluding Co-opted Members)	6	2	3	1
Licensing and Safety Committee	12	6	6	
Taxis Committee	9	5	4	

- (5) That the appointment of Members to Committees for the 2024/25 municipal year be on the basis of the nominations made by political groups as follows:-

**Overview and Scrutiny Committee**

<u>Councillors</u> (Conservative)	<u>Councillors</u> (Labour)	<u>Councillor</u> (Liberal Democrat)	<u>Councillor</u> (Independent)
A Davies P Dobb J Hill E Lawrence W Little	K Archer C Bayton J Foster P Sahota	R Priest	S Keasey



### **Adult Social Care Select Committee**

<u>Councillors</u> (Conservative)	<u>Councillors</u> (Labour)
A Davies	A Aston
A Hopwood	A Qayyum
L Johnson	C Reid
T Russon	A Smith
I Sandall	A Tromans
	S Turner

### **Children's Services Select Committee**

<u>Councillors</u> (Conservative)	<u>Councillors</u> (Labour)	<u>Councillor</u> (Liberal Democrat)
D Bevan	K Archer	K Khan
S Greenaway	S Azad	
J Hill	Q Mughal	
K Lewis	S Ridney	
M Webb	D Roberts	

Together with provision for the appointment of statutory, non-elected, co-opted members with voting rights in matters concerning education:

### **Parent Governor Representatives**

1. Secondary Schools – vacancy
2. Primary Schools – vacancy
3. Special Schools – vacancy

### **Church Representatives**

4. Worcester Diocesan Board of Education – T Reid
5. Archdiocese of Birmingham – R May

### **Environment and Regeneration Select Committee**

<u>Councillors</u> (Conservative)	<u>Councillors</u> (Labour)	<u>Councillor</u> (Liberal Democrat)
D Bevan	A Ahmed	K Khan
A Davies	C Bayton	
I Kettle	K Casey	
E Lawrence	C Eccles	
T Russon	P Sahota	

### **Fit for the Future / Council Sustainability Select Committee**

<u>Councillors</u> (Conservative)	<u>Councillors</u> (Labour)	<u>Councillor</u> (Liberal Democrat)
P Dobb	S Ali	E Stafford
J Hill	P Drake	
T Russon	S Edwards	
J Thorne	J Griffin	
M Webb	S Mughal	

### **Health Select Committee**

<u>Councillors</u> (Conservative)	<u>Councillors</u> (Labour)
B Collins	A Aston
P Dobb	E Cobb
I Kettle	M Cook
P Lee	M Hanif
I Sandall	C Reid
	K Westwood

One non-elected co-opted member without voting rights:-

Healthwatch Dudley – Chief Officer (J Griffiths)

### **Housing and Safer Communities Select Committee**

<u>Councillors</u> (Conservative)	<u>Councillors</u> (Labour)	<u>Councillor</u> (Liberal Democrat)
B Challenor	J Cowell	E Stafford
T Creed	M Hussain	
S Greenaway	D Roberts	
K Lewis	E Taylor	
K Razzaq	K Westwood	

### **Appointments Committee**

<u>Councillors</u> (Conservative)	<u>Councillors</u> (Labour)
P Bradley	J Foster
A Goddard	P Lowe
P Harley	

(NB: The appropriate Cabinet Member and Shadow Cabinet Member to be invited to attend meetings depending on the appointment(s) to be made).

### **Audit and Standards Committee**

<u>Councillors</u> (Conservative)	<u>Councillors</u> (Labour)
T Creed	S Ali
S Henley	J Cowell
I Kettle	K Denning
W Little	J Foster
	A Qayyum

Together with provision for the appointment of up to two non-elected, independent members without voting rights.

## **Children's Corporate Parenting Board**

<u>Councillors</u> (Conservative)	<u>Councillors</u> (Labour)
S Greenaway	K Archer
S Henley	S Azad
L Johnson	J Griffin
P Lee	C Littler
K Lewis	Q Mughal
D Stanley	S Ridney

## **Planning Committee**

<u>Councillors</u> (Conservative)	<u>Councillors</u> (Labour)	<u>Councillor</u> (Independent)
B Challenor	A Ahmed	S Keasey
B Collins	P Sahota	
D Harley	E Taylor	
K Razzaq		
M Webb		

## **Ernest Stevens Trusts Management Committee**

One ward Councillor from each of the following wards:

Cradley and Wollescote R Priest (Liberal Democrat)	Norton T Creed (Conservative)
Lye and Stourbridge North E Cobb (Labour)	Pedmore and Stourbridge East I Kettle (Conservative)
Quarry Bank and Dudley Wood J Cowell (Labour)	Wollaston and Stourbridge Town C Eccles (Labour)

Together with 3 non-elected co-opted members without voting rights:-

Friends of Stevens Park, Quarry Bank – Vacancy  
Friends of Wollescote Park – J Jones  
Friends of Mary Stevens Park – H Rogers

## **Licensing and Safety Committee**

<u>Councillors</u> (Conservative)	<u>Councillors</u> (Labour)
F Barras	S Azad
B Collins	K Denning
P Lee	P Drake
W Little	C Littler
K Razzaq	D Roberts
A Taylor	E Taylor

## **Taxis Committee**

<u>Councillors</u> (Conservative)	<u>Councillors</u> (Labour)
B Challenor	A Ahmed
D Harley	M Cook
A Hopwood	J Cowell
A Taylor	L Hamblett
J Thorne	

- (6) That the proposals for the appointment of co-opted representatives to serve on the relevant Committees and the arrangements for the filling of vacancies be approved.
- (7) That the Licensing and Safety Committee be appointed in 2024/25 to undertake the statutory Committee functions in accordance with the Licensing Act 2003 and that the Committee comprise 12 Members.
- (8) That the Council confirm that the proportionality requirements of the Local Government and Housing Act 1989 shall not apply to Licensing Sub-Committees established by the Licensing and Safety Committee or to any Sub-Committee established by the Audit and Standards Committee to hear complaints against Members under the Members' Code of Conduct.
- (9) That the Chairs and Vice-Chairs of the following Committees be appointed for 2024/25:

<u>Committee</u>	<u>Chair</u>	<u>Vice-Chair</u>
	Councillor	Councillor
Overview and Scrutiny Committee	S Keasey	R Priest
Adult Social Care Select Committee	S Turner	A Smith
Children's Services Select Committee	Q Mughal	Vacancy
Environment and Regeneration Select Committee	A Ahmed	C Eccles
Fit for the Future / Council Sustainability Select Committee	S Edwards	P Drake
Health Select Committee	M Hanif	C Reid
Housing and Safer Communities Select Committee	E Taylor	K Westwood
Appointments Committee	P Harley	P Bradley
Audit and Standards Committee	K Denning	A Qayyum
Children's Corporate Parenting Board	D Stanley	S Ridney
Planning Committee	D Harley	M Webb
Ernest Stevens Trusts Management Committee	J Cowell	C Eccles
Licensing and Safety Committee	K Razzaq	B Collins
Taxis Committee	A Hopwood	B Challenor

- (10) That the arrangements for substitutes on Committees, as set out in Council Procedure Rules, be reaffirmed for the 2024/25 municipal year.
- (11) That the Planning (Site Visits) Working Group be appointed for the 2024/25 Municipal Year to undertake visits to sites where the Committee has resolved that there should be a site visit and that the Working Group comprise all Members of the Planning Committee.
- (12) That Working Groups be appointed for the 2024/25 municipal year for Scrutiny/Select Committees, as appropriate, and that the membership of the Working Groups comprise all Members of the relevant Committees.
- (13) That the Dudley Health and Wellbeing Board be established in 2024/25 on the basis set out in the report.
- (14) That the 'Your Home, Your Forums' be re-established in 2024/25 on the basis previously approved by the Council.
- (15) That a report be submitted to the next meeting of the Overview and Scrutiny Committee on the Council's revised overview and scrutiny arrangements, including the terms of reference of the Scrutiny/Select Committees.
- (16) That the Director of Finance and Legal, in consultation with the Cabinet Member for Finance, Legal and Human Resources, be authorised to amend the budget to reflect the Democratic Services resources and Special Responsibility Allowances arising from the revised structure of Committees.
- (17) That the Monitoring Officer be instructed to bring forward proposals for the designation of up to ten Member Champions and to take the necessary action to commence a review of the Members' Allowances Scheme, including the establishment of an Independent Remuneration Panel pursuant to statutory requirements.
- (18) That the Monitoring Officer be authorised to take any necessary and consequential actions that are required to implement the proposals contained in the report and any other decisions taken at this meeting of the Council.

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## 12 **Constitution and Scheme of Delegation**

A report of the Lead for Law and Governance (Monitoring Officer) was submitted.

It was moved by Councillor P Harley, seconded by Councillor P Bradley and

### **Resolved**

- (1) That the Constitution and Scheme of Delegation be reaffirmed for the 2024/25 municipal year.
- (2) That the Monitoring Officer be authorised to make any necessary and consequential amendments to the Constitution arising from decisions made by the Council and to reflect any ongoing restructuring activity, changes in legislative requirements, statutory provisions or associated regulations or guidance.
- (3) That all references in the Constitution to statutory provisions be taken to include any subsequent legislation, Statutory Instruments, Regulations, Orders or Guidance issued under those statutory provisions.
- (4) That the Council note that a further report will be submitted during this municipal year on the outcome of a review of the Constitution as part of the Fit for the Future Governance workstream.

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## 13 **Programme of Meetings for 2024/25**

A report of the Lead for Law and Governance (Monitoring Officer) was submitted.

The recommendations in the report were moved by Councillor P Harley and seconded by Councillor P Bradley.



Following the debate, Councillor P Harley exercised his right of reply pursuant to Council Procedure Rule 14.9 and responded to questions from Councillor C Bayton concerning the decision not to reconstitute the Climate Change Select Committee in the 2024/25 municipal year.

The motion was put to the meeting and it was

**Resolved**

- (1) That the recommendation in the report and the programme of meetings for the 2024/25 municipal year, as circulated at the meeting, be approved.
- (2) That the Lead for Law and Governance, following consultation with the Leader of the Council, the Main Opposition Group Leader and Committee Chairs, as appropriate, be authorised to make any necessary amendments to the programme of meetings during the municipal year.

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14 **Appointments/Nominations to Other Bodies**

A report of the Lead for Law and Governance (Monitoring Officer) was submitted.

It was moved by Councillor P Harley, seconded by Councillor P Bradley and

**Resolved**

That the Lead for Law and Governance (Monitoring Officer), following consultation with the Leader of the Council and the Main Opposition Group Leader, be authorised to make appointments/nominations to other bodies as required.

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15 **Urgent Business**

There was no urgent business for consideration at this meeting.

The meeting ended at 6.55 pm

MAYOR

## **Meeting of the Council – 15<sup>th</sup> 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 15<sup>th</sup> 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 31<sup>st</sup> 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.

	<b>Latest 1Budget £m</b>	<b>Provisional Outturn £'m</b>	<b>Variance £m</b>
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
<b>Total Service Costs</b>	<b>312.4</b>	<b>321.8</b>	<b>9.4</b>
Total Funding	-307.3	-308.8	-1.5
<b>Use of Balances</b>	<b>5.1</b>	<b>13.0</b>	<b>7.9</b>

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<sup>1</sup> 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 31<sup>st</sup> March 2024 as follows:

	<b>Budget £m</b>	<b>Provisional Outturn £m</b>
Forecast Unallocated General Fund Reserves 31 <sup>st</sup> March 2023	20.8	20.8
2022/23 outturn (as reported to July Cabinet)		1.0
<b>Unallocated General Fund Reserve at 31<sup>st</sup> March 2023</b>	<b>20.8</b>	<b>21.8</b>
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
<b>Unallocated General Fund Reserve at 31<sup>st</sup> March 2024</b>	<b>16.6</b>	<b>8.8</b>

8. At 31<sup>st</sup> March 2022 our unringfenced revenue reserves as a proportion of net revenue spend were 19%. The average<sup>2</sup> for all Metropolitan Councils at the same date was 55%. Calculated on the same basis, our position at 31<sup>st</sup> March 2024 has fallen to 9%. Comparisons with other councils are not yet available. Earmarked reserves at 31<sup>st</sup> March 2024 are set out in Appendix C.

<sup>2</sup> 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 31<sup>st</sup> March 2024 is as follows.

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

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.

	<b>Opening Balance 1.4.2023 £m</b>	<b>Movement in Year £m</b>	<b>Closing Balance 31.3.2024 £m</b>
<b>Public Health Grant</b>	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.

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

## Schools including Dedicated Schools Grant (DSG)

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

	<b>Opening Balance 1.4.2023 *3 £m</b>	<b>Movement in Year £m</b>	<b>Closing Balance 31.3.2024 £m</b>
<b>Schools delegated (DSG)</b>	6.9	(0.7)	6.2
<b>Schools trading (GF)</b>	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.

	<b>Opening Balance 1.4.2023 £m</b>	<b>Movement in Year £m</b>	<b>Closing Balance 31.3.2024 £m</b>
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
<b>Total DSG Unusable reserve</b>	<b>(22.1)</b>	<b>(6.8)</b>	<b>(28.7)</b>

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 31<sup>st</sup> March 2024 of £28.8m. The Government has regulated

<sup>3</sup> 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 31<sup>st</sup> 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 8<sup>th</sup> August and Council on 22<sup>nd</sup> 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.

<b>Directorate</b>	<b>2024/25 £m</b>	<b>2025/26 £m</b>	<b>2026/27 £m</b>
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
<b>Total</b>	<b>1.5</b>	<b>2.6</b>	<b>2.7</b>

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.

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

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

<b>Service</b>	<b>£'000</b>
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
<b>Total Expenditure</b>	<b>98,695</b>
<b>Funded by:</b>	
Revenue	3,598
Major Repairs Reserve (Housing)	25,250
Capital receipts	8,027
Grants and contributions	43,822
Capital Financing Requirement	17,997
<b>Total Funding</b>	<b>98,695</b>

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

	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
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
<b>Total spend</b>	<b>166,125</b>	<b>149,204</b>	<b>121,989</b>
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
<b>Total funding</b>	<b>166,125</b>	<b>149,204</b>	<b>121,989</b>

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**

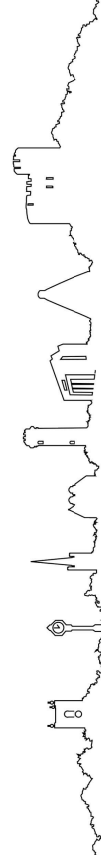
Contact Officers:

Rachel Cooper, Head of Financial Services

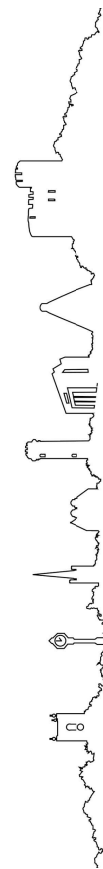
Telephone: 01384 81 4844 email: [Rachel.cooper@dudley.gov.uk](mailto:Rachel.cooper@dudley.gov.uk)

**2023/24 Provisional General Fund Outturn Position**

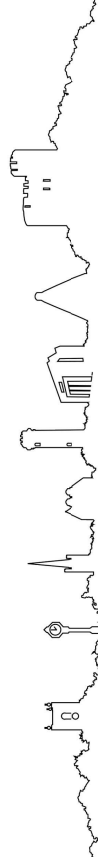
Directorate	Final Service Budget £'000	Provisional Outturn £'000	Variance £'000	Comment
<b>Chief Executive</b>	<b>6,778</b>	<b>6,298</b>	<b>(480)</b>	
People and Inclusion	3,152	2,691	-461	Staff car park permits (£43k), Occupational Health (£38k), vacancy savings (£332k), saving on software development 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).



<b>Adult Social Care</b>				<b>110,123</b>	<b>117,114</b>	<b>6,991</b>	
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).		



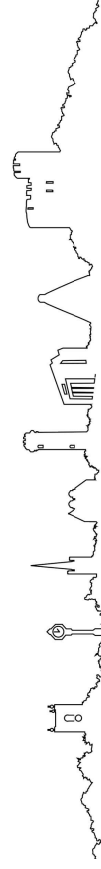
Children's Services		81,565	86,233	4,668	
Adolescent Safeguarding		4,465	4,044	-421	Mainly vacancy savings (£445k) and use of Supporting Families grant (£153k), £21k reduction in income due to redesign. Net pressure of £156k including Section 17 payments
Family Safeguarding		5,062	4,630	-432	Mainly vacancy 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



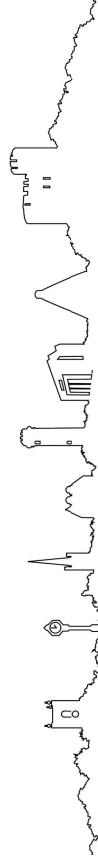
<b>Health and Wellbeing</b>		<b>2,567</b>	<b>2,238</b>	<b>(329)</b>	
Communities and Healthy Places		328	327	-1	
Environmental Health and Trading Standards		3,197	3028	-169	Legal fees £77k and £33k other pressures, offset by (£130k) switch from public health grant to trading standards, (£136k) additional court income, and (£13k) additional Fix A Home income.
Substance Misuse		100	45	-55	Savings on substance misuse as fewer clients (£55k)
H&W other		-1,058	-1162	-104	Covid grants (Lateral Flow and Practical Support) now confirmed that balances do not have to be returned.
<b>Finance and Legal Services</b>		<b>14,244</b>	<b>14,810</b>	<b>566</b>	
Law and Governance		5,016	5624	608	Elections £259k, members allowances £98k, net cost of locums within legal £310k, other net savings (£59k)
Financial Services		6,733	6670	-63	Legal fees £57k offset by net savings (£120k)
Revenues and Benefits		1,868	1946	78	Discretionary council tax discount £114k, £169k adjustment for council tax benefit and other net pressures £50k, offset by release of reserves (£255k)
Audit and Risk Management		427	361	-66	Net staff savings (£66k)
Data Protection and Information Governance		200	209	9	Software licence £9k



**Working as One Council in**  
the historic capital of the Black Country

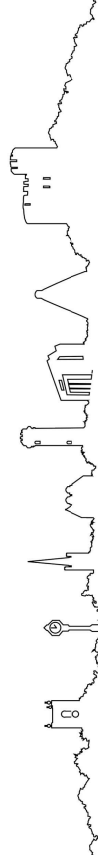


Digital, Commercial and Customer Services				
	16,517	15,322	-1,195	
Commercial	210	190	-20	Pressure on Pay £5k (Pay award pressure £10k and staff savings of -£5k), £5k Consultant fees pressure, release of (£50k) reserve, (£70k) additional income from DGFL including contributions to staffing, offset 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

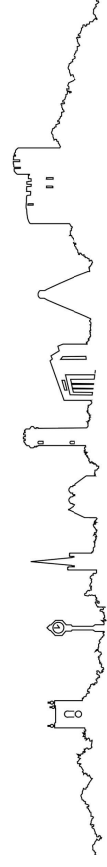




Environment		50,386	52,348	1,962	
Waste & Transport Operations		11,638	12,645	1,007	<p><b>Staffing £607k</b> (of which pay award £228k, agency / sickness cover £1,930k, offset by vacancies (£1,602k) plus other staffing pressures of £51k including training). <b>Favourable Income (£215k)</b>; (of which 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). <b>Utilities Pressure of £80k</b> (£68k due to inflation), <b>Transport related £440k</b>; (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)). <b>Other Costs £95k</b> bags and boxes £47k, barrier works £35k, and other costs of £13k</p> <p><b>Staff saving (£196k), Energy from Waste contract £2,074k</b> (of which PPA income shortfall £1,117k, Commercial waste income £276k, EfW R&amp;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). <b>Household Waste Recycling Centre</b> 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	

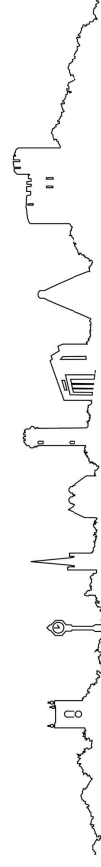


Neighbourhood Services	11,933	11,545	-388	<p><b>Net staffing savings</b> (£1,620) includes Car Park Enforcement Staff resulting in reduced income, <b>shortfall on income of £1,017k</b> (pay and display income £164k, Street fines £679k, Car Park Fines £37k, Season tickets £63k street scene income £74k)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



Housing and Communities				
	4,592	3,932	-660	
Maintenance	-80	79	159	Under recovery on Heating - £90k higher non productive time and £69k a number of jobs not charged out
Community Safety	1,417	765	-652	(£540k) Funding switch of Homelessness grants, (£160k) Street warden vacancies, other variances £48k.
Housing Strategy	672	546	-126	(£50k) Vacancies, (£70k) Maximising use of New Burdens grant, (£6k) other variances.
Housing Options	290	290	0	
Housing Assets & Development	2,293	22,53	-40	(£30k) Vacancies, £70k contribution to capital to be posted.

Regeneration and Enterprise		14,003	15,229	1,226	
Culture, Leisure & Bereavement Services	-377	1,434	1,811		<b>Bereavement: £717k</b> (of which utilities +£140k, shortfall of income +£511k, other +£66k). <b>Halls, Himley, Market &amp; Museums +£186k</b> (of which net staffing costs +£125k, Utilities +£94k, shortfall of income +£7k, other -£40k). <b>Leisure Centres £951k</b> (of which +£525k net staff costs, utilities +£444k, Wellington Rd business rates +£152k; other supplies & services +£285k, increased income -£455k). <b>Executive Support -£43k</b> (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 <b>Black Country Legacy funds</b> -£305k, maximising <b>Adult and Community Learning</b> external funding -£200k, Other favourable variance being mainly <b>Enterprise Zone budget -£223k</b> , <b>Impact Project surplus -£435k</b> and maximising the use of <b>UKSPF/CWG Legacy funds</b> and <b>general underspends -£596k</b> .
Corporate Landlord Services	6,383	7,245	862		<b>Catering Commercial £710k</b> (of which Staffing £216k, external income £726k, provisions -£253k, other +£21k). <b>Schools Catering +£335k</b> (of which Staffing -£520k, internal income +£640k, external income +£385k, catering provisions -£238k other +£68k). <b>Property -£183k</b> (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

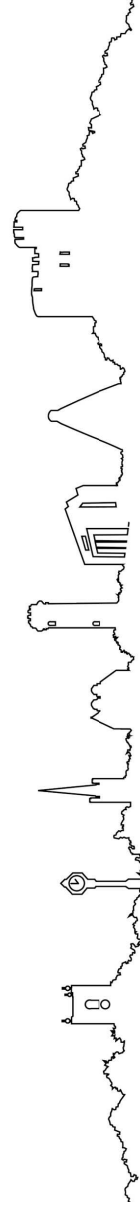


Regeneration Projects	2,798	2960	162	Release of unspent reserves <b>Eton Project -£208k, Stalled &amp; Derelict sites -£37k plus reverse premium repayment +£296k; creation of new reserves +£120k; other minor variance -£9k</b>
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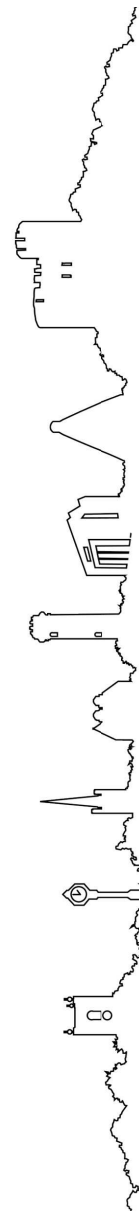
Corporate and Treasury		11,602	8,205	-3,397	
Corporate		-25,052	-26,927	-1,875	Business Rate Tariff adjustment (£3.013m) contingency released offset by reserve adjustment (£0.321m) Pensions GF Over Recovery (£0.942m) WMPF invoices saving reduction in number of pensioners (0.073m) redundancy and pension strain costs net of budget available £0.958m and impairments of £1.516m for BCIMO, Resonance and increase in corporate impairment.
Levies		15,020	15,835	815	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
Treasury		21,634	19,297	-2,337	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)
Total Service Costs		312,377	321,730	9,353	
Total Funding		-307,271	-308,742	-1,471	Council Tax supplement grant (£640k), Business Rates levy (£578k) and Business rates S31 (£4k) plant and machinery grant (£249k).
USE OF UNALLOCATED GENERAL FUND BALANCE		5,106	12,988	7,882	

**Delivery of savings in current Medium Term Financial Strategy**

<b>2023/24 Savings</b>		<b>Target 2023/24 £'000</b>	<b>Delivered 2023/24 £'000</b>	<b>Comment</b>
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	

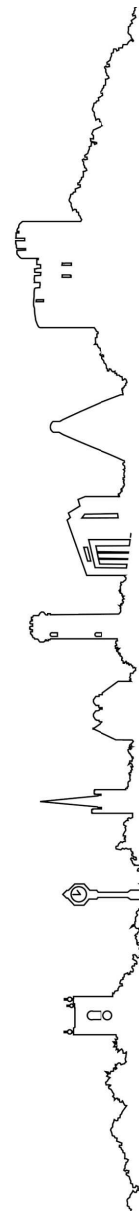


2023/24 Savings		Target 2023/24 £'000	Delivered 2023/24 £'000	Comment
Adults	Review, assessment, and appropriate financial packages of care	230	196	Continual progress is being made to review and assess to ensure that appropriate levels of care are being provided
Adults	New bed based banding framework	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	
	<b>Total</b>	<b>1,920</b>	<b>1,764</b>	

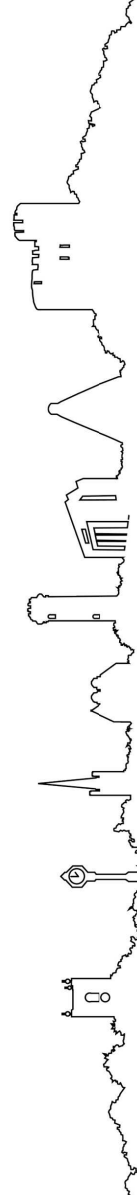




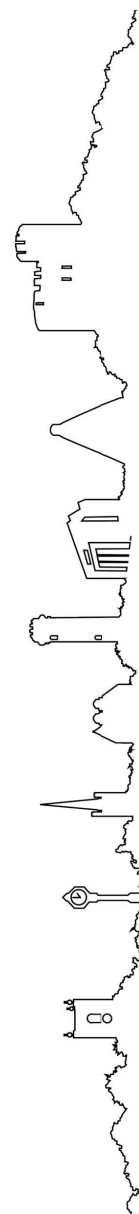
<b>2023/24 Savings</b>		<b>Target 2023/24 £'000</b>	<b>Delivered 2023/24 £'000</b>	<b>Comment</b>
Children's	Efficiency savings - review of expenditure budgets for low/medium risk areas inclusive of car mileage (post lockdown), supplies and services, premises, and a review of terminated pension agreements. 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	
	<b>Total</b>	<b>750</b>	<b>750</b>	



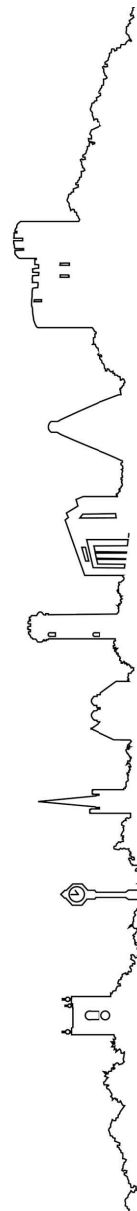
<b>2023/24 Savings</b>		<b>Target 2023/24 £'000</b>	<b>Delivered 2023/24 £'000</b>	<b>Comment</b>
CEX	Vacancy management in HR&OD	60	60	
CEX	Remove vacant Corporate PMO & Performance Support Assistant post	30	30	
	<b>Total</b>	<b>90</b>	<b>90</b>	
DCCS	Removal of ADSL on completion of Fibre Optic installations	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	
	<b>Total</b>	<b>270</b>	<b>240</b>	



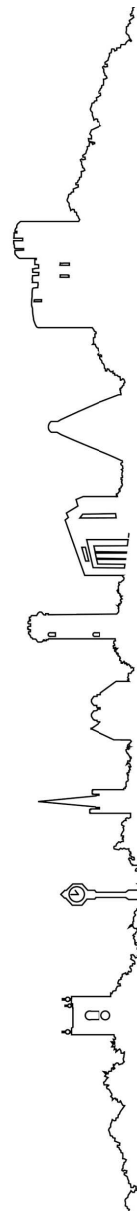
<b>2023/24 Savings</b>				<b>Target 2023/24 £'000</b>	<b>Delivered 2023/24 £'000</b>	<b>Comment</b>
F&L	Reduced costs of self-insurance			100	100	
F&L	Vacancy management in Revenues and Benefits			80	80	
F&L	Adjust Members' Allowance budget to reflect entitlement to no more than one responsibility allowance			50	50	
	<b>Total</b>			<b>230</b>	<b>230</b>	
H&W	Continued work on Public Health Grant funded substance misuse preventative measures, to reduce use of rehabilitation beds.			100	100	
	<b>Total</b>			<b>100</b>	<b>100</b>	
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	
	<b>Total</b>			<b>70</b>	<b>70</b>	



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
	<b>Total</b>	<b>3,520</b>	<b>1,000</b>	
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

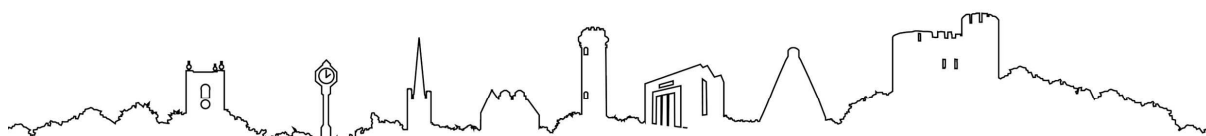


R&E	Halls - net increase in income from ticket sales, bar and food as a result of increased number of shows following additional capital investment of £550k	50	0	Budget rebased for 24/25
R&E	Estate rationalisation - Regent House Dudley	100	100	
	<b>Total</b>	<b>880</b>	<b>760</b>	
	<b>Grand Total</b>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



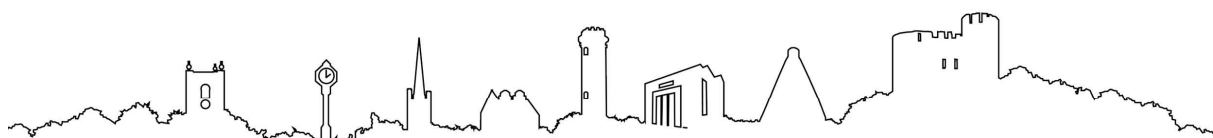
**Reserves as at 31<sup>st</sup> March 2024**

<b>Reserves</b>	<b>£'000</b>
<b>Unallocated General Fund Reserve</b>	<b>8,762</b>
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
<b>Total Earmarked General Fund Reserves</b>	<b>22,455</b>
<b>Public Health Grant</b>	<b>4,609</b>
<b>Dedicated Schools Grant<sup>4</sup></b>	<b>6,188</b>
<b>Housing Revenue Account</b>	<b>11,081</b>

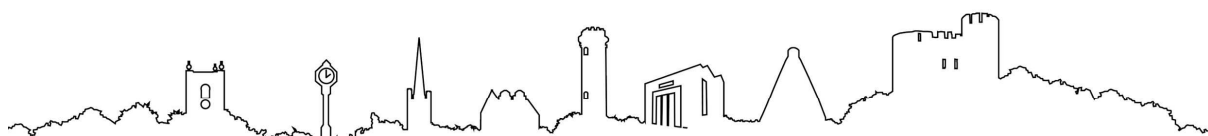
<sup>4</sup> Does not include deficit on central DSG (High Needs Block). This is held as an unusable negative reserve while the statutory override remains in place



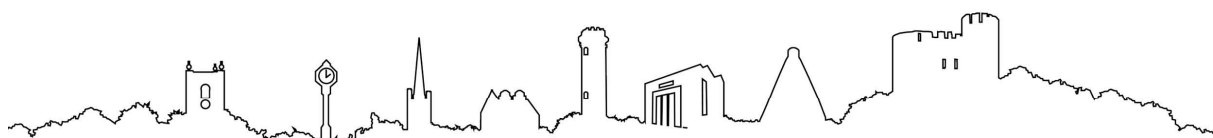


**Housing Revenue Account 2023/24 Provisional Outturn**

	<b>Budget £'000</b>	<b>Provisional Outturn £'000</b>	<b>Variance £'000</b>	<b>Comments</b>
<b><u>Income</u></b>				
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
<b>Total income</b>	<b>-98,393</b>	<b>-101,283</b>	<b>-2,890</b>	
<b><u>Expenditure</u></b>				
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
<b>Total expenditure</b>	<b>97,578</b>	<b>97,910</b>	<b>333</b>	
<b>Total: surplus or deficit for the year</b>	<b>-815</b>	<b>-3,373</b>	<b>-2,557</b>	

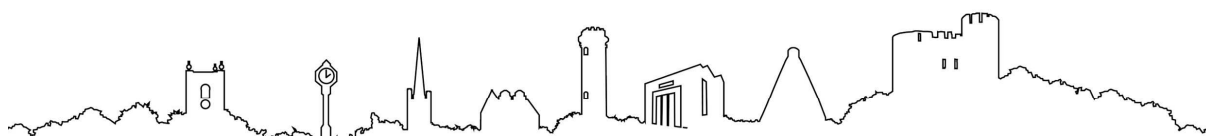


## Additional Spending

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
<b>Total</b>		<b>102</b>	<b>102</b>	<b>102</b>

### Key

EM – Elected Member priority



**Proposed Savings**

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

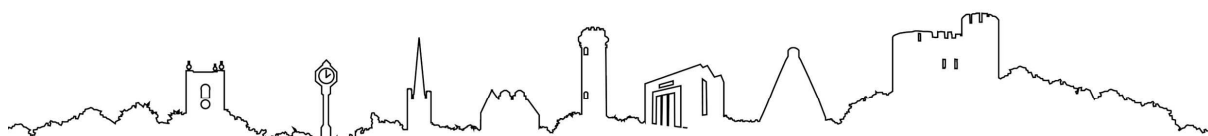
<b>Children's Services</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
Contribution from Public Health Grant towards supporting children to be ready for school, with a focus on those in the most deprived areas	100	100	100
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

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



<b>Environment</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
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
<b>Total</b>	<b>980</b>	<b>1,960</b>	<b>1,960</b>

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

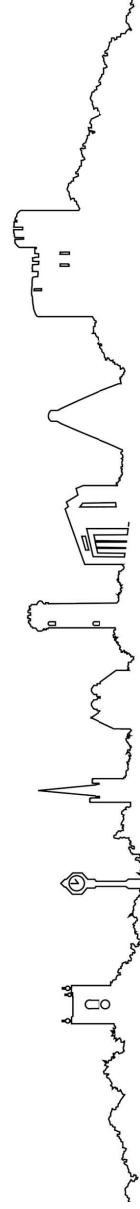


**2023/24 Provisional Capital Outturn**

	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	<b>52,175</b>	0	
Private Sector Housing	18,868	-6,035	-5,050	7,783	<b>7,783</b>	0	
Environment	19,306	611	-15,181	4,736	<b>4,846</b>	110	1
Transport	13,216	2,258	-5,586	9,888	<b>9,887</b>	-1	
Regeneration & Corporate Landlord	20,767	111	-4,977	15,901	<b>15,799</b>	-102	2
Culture, Leisure & Bereavement	5,381	-3	-4,630	748	<b>827</b>	79	3
Schools and SEND	31,950	9,807	-36,531	5,226	<b>5,226</b>	0	
Social Care, Health & Wellbeing	907	1,269	-1,954	222	<b>222</b>	0	
Digital, Commercial & Customer Services	1,882	430	-383	1,929	<b>1,930</b>	1	
<b>Totals</b>	<b>177,435</b>	<b>2,190</b>	<b>-81,017</b>	<b>98,608</b>	<b>98,695</b>	<b>87</b>	

## 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



## **Meeting of the Council – 15<sup>th</sup> July, 2024**

### **Report of the Audit and Standards Committee**

#### **Annual Report of the Audit and Standards Committee 2023/24**

##### **Purpose of the Report**

1. To receive the Annual Report of the Audit and Standards Committee.

##### **Recommendation**

2. That the Annual Report of the Audit and Standards Committee for 2023/24 be received and noted.

##### **Background**

3. A Chartered Institute of Public Finance and Accountancy (CIPFA) self-assessment completed by the Head of Audit and Risk Management Services on the Audit and Standards Committee identified the production of an Annual Report as best practice. The production of an annual report promotes the good work completed by the Audit and Standards Committee and will also be in line with the Council's Scrutiny/Select Committees.
4. The annual report for 2023/24 was agreed by the Audit and Standards Committee on 24<sup>th</sup> April, 2024, prior to the Municipal Elections and subsequent changes to the Committee's Membership in May, 2024.

##### **Finance**

5. There are no direct financial implications arising from this report.

##### **Law**

6. There is no legal requirement to complete an Annual Report, but it is considered best practice.

## **Risk Management**

7. The proposals contained within this report do not raise any “material” risks.

## **Equality Impact**

8. This report does not raise any equality and diversity issues.
9. The work carried out by the Audit and Standards Committee will help to protect the interests of children and young people, albeit they were not consulted on, or involved, with the development of the Annual Report.

## **Human Resources/Organisational Development**

10. There are no human resources/organisational developments implications relating to this report.

## **Commercial/Procurement**

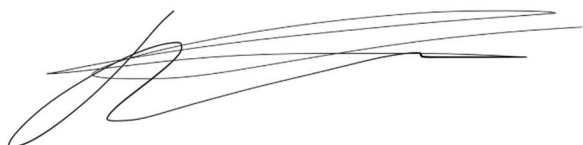
11. This report does not have any commercial/procurement implications.

## **Environment/Climate Change**

12. There are no direct environmental implications within this report impacting on the Council’s work to address Climate Change and achieve our Net Zero target.

## **Council Priorities and Projects**

13. The work undertaken by Audit and Standards Committee helps to ensure Council priorities are achieved by ensuring the Council has an effective framework of governance, risk management and internal control.



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**Chair of the Audit and Standards Committee**



## **Annual report of the Audit and Standards Committee**



**Chair -  
Councillor  
Angus Lees**

**2023/24 Muncipal Year**



**Vice-Chair -  
Councillor  
Dave  
Borley**

This annual report gives a summary of the work completed by Audit and Standards Committee during the 2023/2024 municipal year.

The overarching purpose of this Committee is to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes.

To fulfil this responsibility the Committee oversees the work of Internal and External Audit, the Risk Management Framework, Fraud, Governance including approving the Code of Corporate Governance, Whistleblowing Policy and Annual Governance Statement (including assurance framework), Treasury Management, approval of the annual Statement of Accounts, approving Contract Standing Orders, Financial Regulations and Codes of Conduct and dealing with the misconduct of Members.

As you can see the Committee has wide ranging responsibility covering many aspects of the Council's work. If the Council is to achieve its priorities it must have effective systems of governance, risk management and internal control. The Committee plays a pivotal role in ensuring that this is the case.

We commend this annual report to the Council. We would like to place on record our appreciation of all the hard work and support given by Councillors, Officers, and External Audit who have contributed to our work during 2023/2024.

Full details of Audit and Standards Committee meetings, including agendas, minutes and reports, can be viewed online by accessing the [Committee Management Information System](#).

Alternatively, please contact Democratic Services on 01384 815238 or e-mail [democratic.services@dudley.gov.uk](mailto:democratic.services@dudley.gov.uk).

## **Internal Audit**

The main role of the Audit and Standards Committee in relation to internal audit is to:

- oversee its independence, objectivity, performance and professionalism.
- support the effectiveness of the internal audit process.
- promote the effective use of internal audit within the assurance framework.

During the year, the Committee have received for approval the Internal Audit Plan 2023/24, the Internal Audit Annual Report 2022/23, reports on the performance of Audit and Risk Management Services and Annual Audit Reports for the Chief Executive and the Deputy Chief Executive.

### **Outcomes:**

- Approved the Internal Audit Plan for 2022/23 and ensured that it was based on the Council's key risks.
- Monitored the performance of Audit and Risk Management Services and the achievement of key performance indicators.
- Approved the Annual Audit Report for 2022/23 and acknowledged the Head of Audit and Risk Management's annual opinion on the effectiveness of governance, risk management and internal control. This would then be used to inform the Annual Governance Statement.
- Discussed progress in addressing the recommendations that came out of the external quality assessment on Audit and Risk Management Services.
- The Committee requested Members complete an Audit Committee skills and knowledge questionnaire and return it to the Head of Audit and Risk Management.
- The Committee requested a demonstration of the Spectrum Audit System to be presented to a future Committee meeting.
- That the Chair, on behalf of the Committee, was asked to write to the Leader requesting that the Audit and Risk Management Services staff be ringfenced in any future restructuring proposals.
- Members raised lots of questions on individual audits detailed within the Chief Executive and Deputy Chief Executive Annual Reports which were in the main responded to during the meetings.
- Members questioned whether the Chief Executive and Deputy Chief Executive Annual Reports needed to be discussed in private session and whether exempt reports could be disclosed following the meeting. Lead for Law and Governance advised that the report will be split into public and private elements for the next municipal year.

- Following the reporting of a fall in the percentage of final reports issued within six weeks of the draft report, the Committee requested the Chief Executive to remind Directors that their support and co-operation is needed to help improve performance going forward.
- Audit and Risk Management Services have an income target of approximately £70,000, which requires the Team to undertake some external work. The Committee raised concerns that the focus on achieving this target detracted from undertaking work in priority areas and the potential financial risk of not carrying out planned audits.

## **External Audit**

The main role of the Audit and Standards Committee in relation to External Audit is:

- To support the independence of external audit through consideration of the external auditor's annual assessment of its independence.
- To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
- To comment on the scope and depth of external audit work and to ensure it gives value for money.
- To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

During the year the Committee have received the External Auditor's Annual Audit Plan 2022/23, Annual Risk Assessment 2022/23, Annual Audit Plan 2023/24 and Annual Risk Assessment 2023/24 and Auditor's Annual Report 2021/22 and 2022/23.

## **Outcomes:**

### **External Audit Grant Thornton Annual Audit Plan 2022-23 and Annual Risk Assessment 2022-23**

- The External Auditor referred to the 2020/21 Annual Auditor's Report to Cabinet on 27 June 2023, highlighting that urgent action was needed to reduce the Council's significant reliance on the use of reserves and introduce tight scrutiny of additional spending proposals.
- The External Auditor was concerned that following a report to Cabinet in July 2023 where proposals to reverse savings decisions were approved that this represented a significant weakness in the Council's financial sustainability and governance, in particular as the Council had

been unable to remain within its budget less than three months after the budget had been agreed.

- The External Auditor suggested that consideration may need to be given to implementing auditor powers, including statutory recommendations and related actions such as Public Interest reports, should the use of reserves continue.
- External Auditors concluded their audit of the 2022/23 Statement of Accounts in December 2023 with an unqualified audit opinion (fewer than 10% of councils achieved this).
- The Chair informed Committee that an e-mail had been sent to the Leader, Deputy Leader and Cabinet Member for Finance, Legal and Human Resources on behalf of the Chair and Vice-Chair highlighting concerns with the issues raised within the External Auditor's Annual Auditor's Report.
- The Chair was requested to formulate recommendations, arising from concerns raised and comments made, to the Leader, Deputy Leader and Cabinet Member for Finance and Legal, in consultation with the Vice-Chair and officers, on behalf of the Committee.

### **Auditor's Annual Report 2021/22 and 2022/23**

- The External Auditor reported that significant weaknesses had been identified in the Council's arrangements in relation to financial sustainability, governance and improving economy, efficiency and effectiveness.
- The External Auditor made a number of key recommendations including the need to improve the Council's financial position and replenish reserves so as to become financially resilient moving forward. Members were encouraged to support officers in setting a balanced budget, identifying new sources of income and delivering savings plans.
- The External Auditor also suggested that a reset in the relationship between officers and members was required to help restore trust and respect. This could be achieved through the development of a charter setting out the expected standards of behaviour supported by a joint statement from the Leader and the Leader of the Opposition Group calling out previous bad behaviour and making a commitment to improving standards of conduct going forward.
- The External Auditor made a further recommendation related to the Council addressing the requirements of the Regulatory Notice issued by the Regulator of Social Housing with respect to the failure to meet minimum service standards.
- Members raised a lot of questions on the report including were Members engaged with the financial challenges, staff required comprehensive training and support, whether valuations for property, plant and

equipment could now be obtained on a timely basis, role and status of Monitoring Officer and training of new Members.

### **External Audit Findings Report 2022/23**

- The External Auditor provided an overview of the significant risks detailed within the audit plan including the management override of controls. Additional work had been undertaken on the authorisation of journals, and it was confirmed that no issues had been identified.
- The Committee agreed that the Letter of Representation be signed by the Chair, following consultation with the Director of Finance and Legal Services.

### **Statement of Accounts 2022-23**

The main role of the Audit and Standards Committee in relation to the Statement of Accounts is:

- To review the annual statement of accounts. To consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.

During the year, the Committee have reviewed the Statement of Accounts 2022/23.

#### **Outcome:**

- The Statement of Accounts 2022/23 was approved and the Chair of the Audit and Standards Committee was authorised to sign and date the Statement of Accounts.

### **Risk Management**

The main role of the Audit and Standards Committee in relation to risk management is:

- To monitor the effective development and operation of risk management in the Council.
- To monitor progress in addressing risk-related issues reported to the committee.

During the year, the Committee have received two reports on the Council's Risk Management Framework and the Council's Corporate Risks.

**Outcomes:**

- Received two risk management reports during the year and reviewed the action being taken to address the key risks.
- Acknowledged the action undertaken to embed the new Risk Management Framework and supported the work currently being undertaken on this by the Head of Audit and Risk Management Services.
- Selected two risks (Regeneration Programme Benefits and Budget Management) for detailed scrutiny and questioned the appropriate Director/Senior Manager on the management of the risks.
- Committee agreed changes to the Risk Management Framework.

**Fraud**

The main role of the Audit and Standards Committee in relation to fraud is:

- To monitor the Anti-Fraud and Corruption Strategy and Fraud Action Plan.
- To understand the fraud risk and potential harm to the Council from fraud and corruption.

During the year, the Committee have received an Annual Fraud Report and an Interim Performance Report, that also includes significant fraud matters.

**Outcomes:**

- Discussed and commented on the Annual Fraud Report, which is a report of fraud work completed by Audit and Risk Management Services in relation to prevention, detection, investigation and resolution. It also lists fraud work undertaken by other Council teams.
- An update was given on the case of a former Dudley Head Teacher who had been successfully prosecuted for fraud. The Council undertook a Proceeds a Crime Act investigation and following a Court hearing ordered the former Head Teacher to repay the amount taken plus the Council's costs and legal costs of £50,000 or face further time in prison. The Council has now received payment of £190,000.

## **Governance**

The main role of the Audit and Standards Committee in relation to governance is:

- To review the Council's corporate governance arrangements and approve the local code of corporate governance.
- To review the Annual Governance Statement (AGS) prior to approval and consider whether it properly reflects the risk environment and supporting assurances, including the Head of Audit and Risk Management's annual opinion.
- To consider whether the annual evaluation for the AGS fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the authority's objectives.

During the year, the Committee have received reports on the Annual Governance Statement, the re-appointment of the Standards Sub-Committee and the Annual Report of the Committee of Standards in Public Life.

### **Outcomes:**

- Approved the re-appointment of the Standards Sub-Committee for 2023/24 with its existing terms of reference and that the membership be extended to five members comprising of the Chair (Councillor A Lees), the Vice-Chair (Councillor D Borley), Councillor J Cowell, Councillor J Foster and Councillor W Little.
- The Annual Report of the Committee on Standards in Public Life was discussed and noted. The Chair, on behalf of the Committee and in consultation with the Monitoring Officer, agreed to write a letter to the Chair of the Committee on Standards in Public Life in relation to the lack of local government experience and diversity within the membership of the Board, re-emphasising the frustration of the limitations on sanctions that could be enforced by Standards Sub-Committees and requesting an indication of the work being undertaken during the next 12 months.
- Discussed and approved the Annual Governance Statement 2022/23 and referred to the Leader of the Council and Chief Executive for signature. During the discussion concerns were expressed in relation to the increase in sickness due to work related stress and the staff turnover rate which highlighted low morale and lack of support to staff.

## **Whistleblowing**

The main role of the Audit and Standards Committee in relation to whistleblowing is:

- Review the effectiveness of the whistleblowing process.
- Approve the Whistleblowing Policy.

During the year, the Committee have received a whistleblowing monitoring report.

### **Outcomes:**

- The Monitoring Officer confirmed that the Policy had been fully reviewed and updated following extensive consultation. The Policy now includes a summary that mirrors the posters that are on display in Council offices and a flowchart that details how matters can be taken forward.
- A dedicated whistleblowing telephone hotline and email address have been established for employees to raise their concerns in the first instance.
- Members raised questions in relation to referring matters outside of the Council and dealing with untrue allegations.
- Discussed and commented on the whistleblowing referrals received during the year and approved the revised Whistleblowing Policy.

## **Treasury Management**

The main role of the Audit and Standards Committee is in relation to scrutiny of the treasury management strategy and policies.

During the year, the Committee have received two treasury management reports.

### **Outcomes:**

- Discussed and commented on treasury management activities undertaken during the year.
- Members raised questions on investment return rates, levels of short and long-term borrowing and comparison with previous years and borrowing rates.
- The Director of Finance and Legal Services discussed the Treasury Management Statement for 2024/25 and noted there was a change from previous years in relation to extending the institutions that money could be invested with to include non-UK banks. It was noted that the



Local Authority would still only invest with institutions with the highest credit ratings.

- The Committee agreed the reports submitted and the submission to Full Council.

## **Procurement**

During the year, the Committee received reports to update Contract Standing Orders and to note exemptions and waivers from requirements for a competitive procurement process.

### **Outcomes:**

- The Head of Procurement confirmed that the values in Contract Standing Orders had been updated in line with legislative and statutory changes and the text simplified to ensure compliance.
- The Head of Procurement stated that within the next 12-18 months, a wider review would be undertaken of Contract Standing Orders once the Procurement Bill was enacted to ensure continued compliance with legislation.
- The Committee noted there had been 9 Exemptions and 18 Waivers received between June 2022 and 31st March 2023.
- The Committee approved the revised Contract Standing Orders.

## **Suspensions**

The main role of the Audit and Standards Committee is in relation to scrutiny of the suspensions process.

During the year, the Committee have received a suspensions report.

### **Outcomes:**

- Discussed and provided comments on employees who were suspended pending an investigation into an allegation(s) of gross misconduct during the period 1 October 2022 to 30 September 2023 inclusive. Also, reviewed medical suspensions.
- The Committee noted there had been 29 suspensions invoked for allegations of Gross Misconduct between 1 October 2022 to 30 September 2023 inclusive. As at the 30<sup>th</sup> September, 19 had been resolved and 10 were ongoing.
- Members suggested that a breakdown of protected characteristics should be included in future reports.

### **Programme, Project and Contract Management**

The Committee received a report on the improvement of programme, project and contract management.

#### **Outcomes:**

- The Committee noted the progress made to improve programme, project and contract management.
- The Committee requested a demonstration of the Dudley Portal (project management system) to a future meeting of the Committee. This was delivered in February 2024.
- The Committee asked if the Dudley Portal provided email alerts to project managers. It was confirmed that it did but the focus was on providing alerts via the dashboard.
- The Committee questioned the timescale for rolling out the Project Management Framework and asked to be provided with a copy of the Project Management Framework.

### **Hybrid Working**

The Committee received a report on hybrid working.

#### **Outcomes:**

- The Deputy Chief Executive provided an update on the Council's flexible working arrangements.
- Members made a number of comments: flexible working should not be used to avoid managing and addressing difficult working relationships between colleagues, there must be regard to the physical working environment for employees working from home, emphasised the importance of team ethics for employee satisfaction, and questioned whether there was an opportunity to use automated technology systems to collect data and metrics in order to assess customer performance management.
- A Member shared his experience of a significant decline in responses to queries and telephone calls from employees working from Home. The Deputy Chief Executive agreed to look into his specific issues.

## **Meeting of the Council – 15<sup>th</sup> July, 2024**

### **Report of the Audit and Standards Committee**

#### **Treasury Management**

##### **Purpose**

1. To outline treasury activity during the financial year 2023/24 and in the current financial year up to the end of May 2024.

##### **Recommendation**

2. That the treasury activities in 2023/24 outlined in this report be noted.

##### **Background**

3. The Treasury Management strategy for 2024/25 has been underpinned by the adoption of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management in the Public Services Code of Practice (2021 edition).
4. Treasury Management entails the management of the Council's cash flows, its borrowings and investments, the management of the associated risks and the pursuit of the optimum performance or return consistent with those risks.
5. The Council undertakes treasury management activity on its own behalf and as administering authority for the West Midlands Debt Administration Fund (WMDAF). We are responsible for administering capital funding of approximately £730m on our own account and another £43m on behalf of other West Midlands councils in respect of the WMDAF. The treasury function is governed by the Council's Treasury Policy Statement and Treasury Management Practices.

### Treasury activity in 2023/24 on the Dudley fund

6. Our treasury activities were undertaken in the context of the Treasury Strategy Statement 2023/24 approved by Audit and Standards Committee and Full Council in February 2023. The Strategy Statement stated:

*“The primary factor in determining whether we undertake new long-term borrowing will be cash flow need. We will seek to minimise the time between borrowing and anticipated cash flow need, subject to the need to maintain day to day liquidity”.*

7. In 2023/24 our investments averaged £30.9 million (with significant day to day variation as a result of cash flow). The average return on these investments was 4.71% and total interest received was £1.5m. All investments were placed with institutions that satisfied the criteria for creditworthiness set out in the Treasury Strategy Statement 2023/24. Our investment activity for 2023/24 is set out in more detail in Appendix 1.
8. The average value of long-term borrowings in 2023/24 was £622.2 million. The average rate of interest on these borrowings was 3.93% and total interest paid was £24.4m. The loans were due to mature on dates ranging from 2023 to 2073. In 2023/24 we took out 7 long/medium-term loans with the shortest having a duration of 2.5 years and the longest had a duration of 10 years. Five of these loans (totalling £38m) were for the General Fund and two loans (totalling £8m) were for the Housing Revenue Account.
9. Due to cash flow requirements in 2023/24, it was necessary to undertake short-term borrowing on 1 occasion. This necessitated the undertaking of two short-term loans across a 14 day period. The average value of these loans was £1.5m at a rate of 5.65%.

### Treasury activity in 2023/24 on the WMDAF

10. It was necessary to undertake short-term borrowing on 4 occasions for cashflow purposes for the WMDAF, at an average value of £8.5m at an average rate of 5.52% for an average duration of 62 days. Six investments were made in 2023/24 for the WMDAF at an average value of £2.73m at an average rate of 5.17% for an average duration of 54 days.

### Prudential indicators 2023/24

11. The 2021 Prudential Code for Capital Finance in Local Authorities sets out a framework for the consideration and approval of capital spending plans. In so doing, it requires the Council to set a number of prudential indicators, some of which concern matters of treasury management. Appendix 2 outlines those indicators for 2023/24.

12. To comply with the revised Prudential Code we will also be issuing quarterly updates of the Prudential and Treasury Indicators from April 2024.

Treasury activity 2024/25 to May

13. Treasury activities in the current year have been undertaken in the context of the Treasury Strategy Statement 2024/25 approved by Audit and Standards Committee and Council in February of this year. In that document we anticipated that long term borrowing would be required in the next 12 months due to cash flow need.
14. Our investments up to the end of May have averaged £20.0 million (with significant day to day variation as a result of cash flow). The average return on these investments was 5.03%. All investments were placed with institutions that satisfied the criteria for creditworthiness set out in the Treasury Strategy Statement 2024/25. Our investment activity for 2024/25 is set out in more detail in Appendix 3.
15. The Monetary Policy Committee (MPC) has left the Bank of England base rate unchanged at every meeting since the last report to this Committee (the latest rate change was agreed in August 2023 which put the rate to 5.25%). The MPC appears to be more confident that the rate of inflation will fall back to its 2% target and our treasury advisors, Link, are forecasting that the base rate will come down later in 2024/25.
16. The average value of long-term borrowings up to the end of May has been £652.9 million. The average rate of interest on Dudley's loans is 3.99%. The maturity dates for the loans range from the current year to 2073. To the end of May no new long-term loans have been taken out in 2024/25. We have borrowed short-term twice so far in 2024/25. The average value of these two loans was £5.5m, with an average interest rate of 5.4% and average duration of 3.5 days.
17. We are monitoring interest rates and cash flow closely and anticipate that some new long term borrowing may be required before the end of the current financial year. Initial monitoring suggests that this borrowing will not need to be undertaken until later in the financial year however an updated forecast of anticipated borrowing and associated costs will be presented at the next Audit and Standards Committee. Quarterly treasury forecasts will feed into the Corporate reporting process so that the revenue impact of these changes can be reflected in both forecast outturn and future budgets.
18. On the WMDAF up to end May 2024 it has been necessary to undertake short-term borrowing on 1 occasion for cashflow purposes, at a value of £1.5m at a rate of 5.30% for a duration of 50 days. There have been no investments made on WMDAF to end May 2024.
19. This report is being considered by the Audit and Standards Committee on 8<sup>th</sup> July, 2024 and any updates will be reported at the Council meeting.

## **Finance**

20. Forecasts of performance against budget for treasury management activities are highly sensitive to movements in cash flow and interest rates.

## **Law**

21. These matters are governed by Part IV of the Local Government and Housing Act 1989 and Section 111 of the Local Government Act 1972, which empowers the Council to do anything which is calculated to facilitate or is conducive or incidental to the discharge of its various statutory functions.

## **Risk Management**

22. Treasury Management, by its nature entails the management of financial risks, specifically credit risk for investments which is mitigated by limiting acceptable counterparties to those of the highest credit quality and imposing counterparty limits for non-government institutions; and interest rate risk which is mitigated by prudential indicators detailed in Appendix 2.

## **Equality Impact**

23. The treasury management activities considered in this report have no direct impact on issues of equality.

## **Human Resources/Organisational Development**

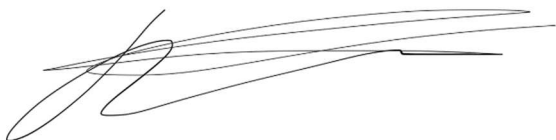
24. There are no Human Resources/Organisational Development implications associated with this report.

## **Commercial/Procurement**

25. The over-riding purpose of the Council's Investment Strategy is day to day cash management and not income generation. The strategy prioritises security and liquidity of cash investments over yield. Once those are met, we aim to secure the maximum yield from our investments held with the small number of counterparties that meet the strict criteria laid out in our Annual Investment Strategy.

## **Council Plan**

26. Treasury Management supports the Council's capital investment priorities as set out in the approved Capital Strategy.



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**Chair of the Audit and Standards Committee**

**Investment Activity 2023/24 (Dudley only)**

<b>Counterparty name</b>	<b>Number of investments</b>	<b>Average value £ million</b>	<b>Average rate %</b>	<b>Average duration (days)</b>
Debt Management Office	432	24.33	4.88	9
HSBC Call Account	N/A	0.53	0.53	Call Account
HSBC 31 Day Notice	N/A	0.00	3.58	Deposit Account
Santander Call Account	N/A	2.20	3.16	Call Account
Santander 35 Day Notice	N/A	0.02	4.55	Deposit Account
Barclays Call Account	N/A	0.19	4.04	Call Account
Lloyds Call Account	N/A	3.29	5.13	Call Account

**Investment Portfolio (Dudley)**

<b>Investments</b>	<b>31.03.23 Actual £'000</b>	<b>31.03.24 Actual £'000</b>
Banks	1,594	3,417
Local Authorities	0	0
Debt Management Office	9,400	5,000
<b>Total Treasury Investments</b>	<b>10,994</b>	<b>8,417</b>
Airport Shares	32,302	35,342
<b>Total non-Treasury Investments</b>	<b>32,302</b>	<b>35,342</b>
<b>Total</b>	<b>43,296</b>	<b>43,759</b>

## **Borrowing Portfolio**

	<b>31.03.23 Actual £'m</b>	<b>31.03.24 Actual £'m</b>
<b>HRA Borrowing</b>		
Public Works Loan Board	453.6	457.9
Other loans	16.2	13.7
<b>Total HRA borrowing</b>	<b>469.8</b>	<b>471.6</b>
<b>General Fund Borrowing</b>		
Public Works Loan Board	152.7	178.8
Other loans	13.8	3.8
<b>Total General Fund borrowing</b>	<b>166.5</b>	<b>182.6</b>
<b>Total Borrowing</b>	<b>636.3</b>	<b>654.2</b>

N.B. All the loans above have a fixed interest rate



## Appendix 2

### Prudential and Treasury Indicators 2023/24

1. PRUDENTIAL INDICATORS	2022/23	2023/24	2023/24
	Actual	Original Estimate*	Actual
	£'m	£'m	£'m
<b>Capital Expenditure</b>			
Non – HRA	41.4	66.3	46.5
HRA	57.9	58.0	52.2
<b>TOTAL</b>	99.3	124.3	98.7
<b>Ratio of financing costs to net revenue stream</b>			
Non – HRA	8.4%	8.4%	8.7%
HRA	43.2%	42.8%	42.9%
<b>Gross borrowing General Fund</b>			
brought forward 1 April	136.7	166.5	166.5
carried forward 31 March	166.5	196.6	182.6
in year borrowing movement	29.8	30.1	16.1
<b>Gross borrowing HRA</b>			
brought forward 1 April	456.6	469.8	469.8
carried forward 31 March	469.8	463.6	471.6
in year borrowing movement	13.2	-6.2	1.8
<b>Gross debt (total HRA and General Fund)</b>	636.3	660.2	654.2
<b>Capital Financing Requirement</b>			
Non – HRA	256.2	264.9	241.3
HRA	474.8	483.8	492.8
<b>TOTAL</b>	731.0	748.7	734.1
<b>Annual change in Cap. Financing Requirement</b>			
Non – HRA	-13.8	+8.7	-14.9
HRA	+4.6	+9.0	+18.0
<b>TOTAL</b>	-9.2	+17.7	+3.1

\*N.B. Originals are as per the indicators reported to Cabinet or Audit and Standards Committee in February 2024 in either the Capital Strategy or Treasury Management Strategy Statement

2. TREASURY MANAGEMENT INDICATORS	2022/23	2023/24	2023/24
<i>All actuals are gross external debt including Dudley's proportion of the WMDAF debt (£47.5m at 31.03.24)</i>	<b>Actual</b>	<b>Original*</b>	<b>Actual</b>
	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>
<b>Authorised Limit for external debt -</b>			
borrowing	703	810	702
other long-term liabilities	12	12	11
TOTAL	715	822	713
<b>Operational Boundary for external debt -</b>			
borrowing	703	738	702
other long-term liabilities	12	12	11
TOTAL	715	750	713

For a full explanation of all of the terms referred to in tables 1 and 2 of Appendix 2 please refer to Appendix 4.

#### Interest rate exposures and maturity structure of borrowing and investments

These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.

#### Dudley MBC

	<b>Indicator</b>	<b>Outturn</b>
Upper limit for fixed interest rate exposure	100%	100%
Upper limit for variable rate exposure	10%	0%
Upper limit of principal maturing in any one year for sums invested for over 364 days	£10m	Nil
Maturity structure of fixed rate borrowing:-		
under 12 months	0-15%	2.5%
12 months and within 24 months	0-15%	3.1%
24 months and within 5 years	0-20%	7.8%
5 years and within 10 years	0-25%	15.3%
10 years and above	50-100%	71.3%

#### West Midlands Debt Administration Fund

	<b>Indicator</b>	<b>Outturn</b>
Maturity structure of fixed rate borrowing:-		
under 12 months	25-55%	47.5%
12 months and within 24 months	20-55%	52.5%
24 months and within 5 years	0-40%	0%

**Investment Activity (Dudley) 2024/25 to May**

<b>Counterparty name</b>	<b>Number of investments</b>	<b>Average value £ million</b>	<b>Average rate %</b>	<b>Average duration (days)</b>
Debt Management Office	58	16.56	5.19	6
HSBC Call Account	N/A	0.00	0.51	Call Account
Santander Call Account	N/A	1.44	3.18	Call Account
Santander 35 Day Notice	N/A	0.02	4.78	Deposit Account
Barclays Call Account	N/A	0.67	4.84	Call Account
Lloyds Call Account	N/A	2.03	5.15	Call Account

**Definition of abbreviations and terminology used in this report**

Actual financing Costs as a proportion of net revenue stream – this indicator identifies the trend in the cost of capital against the net revenue stream.

Authorised Limit – The authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set the Council does not have the power to borrow above this level. The table in Appendix 2 demonstrates that during 2023/24 the Council has maintained gross borrowing within its authorised limit

CFR – Capital Financing Requirement – this is the Council’s underlying need to borrow for capital expenditure.

CIPFA – Chartered Institute of Public Finance and Accountancy

HRA – Housing Revenue Account – this records the income and expenditure related to running the Council’s housing stock and closely related services or facilities, which are provided primarily for the benefit of the Council’s own tenants.

MPC – Monetary Policy Committee – this is an independent Committee which makes decisions about the operation of monetary policy.

MRP – Minimum Revenue Provision – an annual charge made to reduce the capital financing requirement to ensure that capital assets are broadly charged to revenue over the life of the asset.

Operational Boundary – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or above the boundary are acceptable subject to the authorised limit not being breached.

WMDAF – West Midlands Debt Administration Fund – the Council is the administering body of the ex-West Midlands County Council debt.

## **Meeting of the Council – 15<sup>th</sup> July, 2024**

### **Report of the Lead for Law and Governance (Monitoring Officer)**

#### **Constitution and Related Matters**

##### **Purpose of Report**

1. To report on updates to the [Council's Constitution](#) and related matters.

##### **Recommendations**

2. That the updates made to the Constitution, following the Annual Meeting of the Council on 16<sup>th</sup> May, 2024, be noted.
3. That Councillor D Roberts be elected as Vice-Chair of the Children's Services Select Committee for the remainder of the 2024/25 municipal year.
4. That the Council endorse the designation of Member Champions as set out in paragraph 10.
5. That, in accordance with statutory requirements, the Council establish an Independent Remuneration Panel comprising three Independent Persons as referred to in paragraph 14.

##### **Background**

6. At the Annual Meeting on 16<sup>th</sup> May, 2024, the Council reaffirmed the Constitution and Scheme of Delegation for the 2024/25 municipal year. The Council also resolved that the Monitoring Officer be authorised to make any necessary and consequential amendments to the Constitution arising from decisions made by the Council and to reflect any ongoing restructuring activity, changes in legislative requirements, statutory provisions or associated regulations or guidance.

7. The Constitution has been updated to reflect decisions made at the Annual Meeting of the Council, in particular revisions to Cabinet Portfolios and the adoption of revised Overview and Scrutiny/Select Committee arrangements for 2024/25. The Scrutiny Procedure Rules were considered by the [Overview and Scrutiny Committee on 20<sup>th</sup> June, 2024.](#)

#### Vice-Chair of the Children's Services Select Committee

8. At the Annual Meeting of the Council on 16<sup>th</sup> May, 2024, the position of Vice-Chair of the Children's Services Select Committee was held as a vacancy. The nomination to fill this position is Councillor Dave Roberts.

#### Member Champions

9. The Council also decided on 16<sup>th</sup> May, 2024 that the Monitoring Officer be instructed to bring forward proposals for the designation of up to ten Member Champions and to take the necessary action to commence a review of the Members' Allowances Scheme, including the establishment of an Independent Remuneration Panel pursuant to statutory requirements.
10. The purpose of designating Member Champions is to provide a voice and promote awareness on key issues that need to be kept at the forefront of Council business. It is proposed that the following Member Champions are designated for the 2024/25 Municipal Year:

Armed Services Champion – Councillor J Griffin

Business Champion – Councillor A Davies

Children in Care Champion – Councillor K Lewis

Climate Change Champion – Councillor E Cobb

Equality, Diversity and Inclusion Champion – Councillor S Azad

Older People's Champion – Councillor W Little

Parks and Open Spaces Champion – Councillor E Lawrence

Public Transport Champion – Councillor A Taylor

Tenants and Residents Champion – Councillor L Hamblett

Tourism, Culture and Heritage Champion – Councillor M Cook

11. In addition to their other Council duties, Member Champions will:
  - Promote and raise the profile of their area of interest in the development of Council policies, strategies and in the making of key decisions.
  - Work with the relevant decision makers, in an advisory capacity, and attend relevant meetings when required.

- Promote the needs of appropriate client and customer groups within the Council.
- Maintain an awareness of all matters connected with their area of interest.
- Ask questions and contribute to good practice to promote the continuous improvement of services and functions relating to their area of interest.
- Raise the profile of their area of interest in the community.
- Contribute to the annual Overview and Scrutiny report to the Full Council.

#### Independent Remuneration Panel

12. In line with Article 4.02 of the Constitution, it is a function of the Full Council to appoint an Independent Remuneration Panel in connection with the Members' Allowances Scheme. It is a legal requirement under the Local Authorities (Members' Allowances) (England) Regulations 2003 for the Council to have regard to the recommendations of an Independent Remuneration Panel before making or amending its Members' Allowances Scheme. The Council is required to review aspects of the Scheme every 4 years and the last review was undertaken in 2021.
13. The Independent Remuneration Panel must comprise at least three Independent Persons. The Council has previously appointed Richard Phillips and William Read as Independent Persons in connection with standards matters for the period ending with the annual meeting of the Council in May, 2027. The Council is seeking to appoint an additional independent person.
14. It is therefore proposed that the Independent Remuneration Panel comprise Richard Phillips, William Read and one additional Independent Person. A recommendation concerning the appointment of a third Independent Person to serve on the Independent Remuneration Panel will be reported at the Council meeting.

#### **Finance**

15. The financial implications arising from the adoption and maintenance of the Council's Constitution are met from existing resources. At the Annual Meeting of the Council on 16<sup>th</sup> May, 2024, the Director of Finance and Legal, in consultation with the Cabinet Member for Finance, Legal and Human Resources, was authorised to amend the budget to reflect the Democratic Services resources and Special

Responsibility Allowances arising from the revised structure of Committees.

### **Law**

16. Relevant statutory provisions regarding the Council's Constitution and the appointment of Committees are contained in the Local Government Acts 1972 and 2000, together with any Regulations, Orders and Statutory Guidance issued by the Secretary of State.
17. The appointment of an Independent Remuneration Panel in connection with the Members' Allowances Scheme is required under the Local Authorities (Members' Allowances) (England) Regulations 2003.

### **Risk Management**

18. This report deals with the Council's Constitution and governance arrangements, which will ensure that the Council considers any ongoing material risks as part of the Council's Risk Management Framework.

### **Equality Impact**

19. The Council's Constitution sets out the arrangements made by the Council for the proper discharge of all its powers, duties and functions, including those relating to equality and diversity and in respect of children and young people.

### **Human Resources/Organisational Development**

20. There are no direct implications arising from this report.

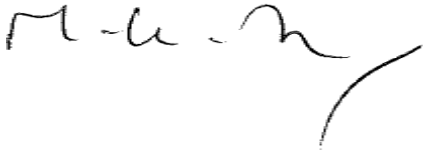
### **Commercial/Procurement**

21. The Constitution includes the Council's Contract Standing Orders and Financial Regulations.

### **Council Plan**

22. The Council's Constitution underpins the delivery of the Council Plan objectives. The designation of Member Champions will further promote awareness of key Council Plan objectives and other Council priorities.
23. A further report will be submitted during this municipal year on a review of the Constitution as part of the Fit for the Future Governance workstream.



A handwritten signature in black ink, appearing to read 'M-Farooq', with a long, sweeping underline that extends to the right.

**Mohammed Farooq**  
**Lead for Law and Governance**  
**(Monitoring Officer)**