



**DUDLEY METROPOLITAN BOROUGH COUNCIL**  
**STATEMENT OF ACCOUNTS FOR THE**  
**YEAR ENDED 31 MARCH 2025**

Page No.

1.	<a href="#">Narrative Report by the Interim Director of Finance</a> .....	1
2.	<a href="#">Movement in Reserves Statement</a> .....	36
3.	<a href="#">Comprehensive Income and Expenditure Statement</a> .....	38
4.	<a href="#">Balance Sheet</a> .....	39
5.	<a href="#">Cash Flow Statement</a> .....	40
6.	<a href="#">Notes to the Core Statements</a> .....	41
	i. <a href="#">MiRS Notes</a> .....	43
	ii. <a href="#">CIES Notes</a> .....	47
	iii. <a href="#">Balance Sheet Notes</a> .....	64
	iv. <a href="#">Cash Flow Statement Notes</a> .....	98
	v. <a href="#">Other Notes</a> .....	101
7.	<a href="#">Housing Revenue Account</a> .....	124
8.	<a href="#">Collection Fund</a> .....	128
	Signed Statements and Certificates	
	a. <a href="#">Statement of Responsibilities for the Statement of Accounts</a> .....	131
	b. <a href="#">Independent Auditor's Report</a> .....	133
9.	<a href="#">Annual Governance Statement</a> .....	134

---

## NARRATIVE REPORT BY THE INTERIM FINANCE DIRECTOR

---

### Purpose

The Statement of Accounts brings together the major financial statements for the financial year 2024/25. The statements and the notes that accompany them give a full and clear picture of the financial position of Dudley Metropolitan Borough Council.

The sections are:

- Narrative Report – an overview of the Council’s financial and operational performance, main objectives, key risks and strategies for future service delivery.
- Statement of Responsibilities – the responsibilities of the Council and its Chief Financial Officer in respect of the Statement of Accounts.
- Comprehensive Income and Expenditure Statement – this shows the accounting cost in the year of providing services. It is prepared in accordance with generally accepted accounting practices. This is different from the amount to be funded from taxation.
- Movement in Reserves Statement – the movement in the year on the different reserves held by the Council.
- Balance Sheet – the value of the assets and liabilities recognised by the Council on 31 March 2025.
- Cash Flow Statement – inflows and outflows of cash or cash equivalents. The flows are revenue and capital transactions with third parties.
- Notes to the Financial Accounts – the Statements are supported by technical notes.
- The Collection Fund and Notes – shows the transactions of the separate fund used for the collection of Council Tax and Non-Domestic Rates (NNDR) and its distribution to local government bodies and the government.
- [Housing Revenue Account](#) - this reflects a statutory obligation to account separately for local authority housing provision. These accounts are fully included within the main Movement in Reserves Statement and the Comprehensive Income and Expenditure Statement.
- Statement of Accounting Policies – outlines the significant accounting policies adopted by the Council
- Group Accounts - sets out the income and expenditure for the year and financial position at the balance sheet date of the Council and any companies or other organisations, which the Council either controls or significantly influences.

The Statement of Accounts been prepared in accordance with statutory requirements, detailed in:

- The Local Government Act 2003
- Accounts and Audit Regulations 2015
- Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code)

### Introduction

Dudley is the proud historic capital of the Black Country and home of the Black Country Flag, with a rich industrial past, built on the hard graft and work ethic of local people. The Borough remains home to a host of innovative and prosperous businesses and is working, through its local schools and colleges, to ensure that it is home to the skilled workforce of tomorrow.

Residents live in close-knit communities across a Borough made up of vibrant and diverse towns and neighbourhoods and the Borough has a growing visitor economy which contributes to our ambitious future whilst celebrating our pioneering past.

Challenges with our transport network are recognised as we work to improve connectivity, which will be boosted by the arrival of Midland Metro services in the Borough.

---

The Borough is also home to places of inspiring natural beauty. Approximately 30% of the Borough is green space through its range of award-winning parks and nature reserves.

The past few years have presented unprecedented challenges for local councils. Reduced funding from central government, increasing demands and costs has meant councils have to do more, with less.

Alongside these budgetary and demand challenges, the council has faced scrutiny reports from external bodies (the Local Government Association, the Chartered Institute of Public Finance and Accountancy and external auditors) which all have recognised the many positive aspects of the Council's work but have also drawn out the need for improvements across the organisation. Areas for improvement include culture, leadership, relationships and financial management.

The council has responded with a determination to make radical changes to the organisation, how it operates and the way in which services are provided.

Taking control of our financial sustainability was a key priority for 2024/25. The council set the 2024/25 revenue budget with a net spend that required the use of £5.5m of reserves, with a forecast that by the end of the year reserves would reduce to only £6.1m or 1.8% of the net budget. As part of a savings review and opportunity to accelerate efficiencies, the budgeted use of reserves was reduced to £4.3m. The Council's Section 151 Officer gave a warning about the low level of reserves and a potential for a section 114 notice. Action was taken during the year to address this through identifying further savings and putting in place various spending control panels, including the Pay Cost Control Board (PCCB) for staffing, Procurement Oversight Group (POG) covering procurement and Value for Money Panels (VFM) for other non-pay spend. This approach has resulted in a significant underspend for the year.

Combined with the approved MTFS (Medium Term Financial Strategy), which seeks to make further additions to reserves over the next 5 years, the council is on track to restore reserves to a more appropriate level and to ensure that it operates on a medium-term sustainable position.

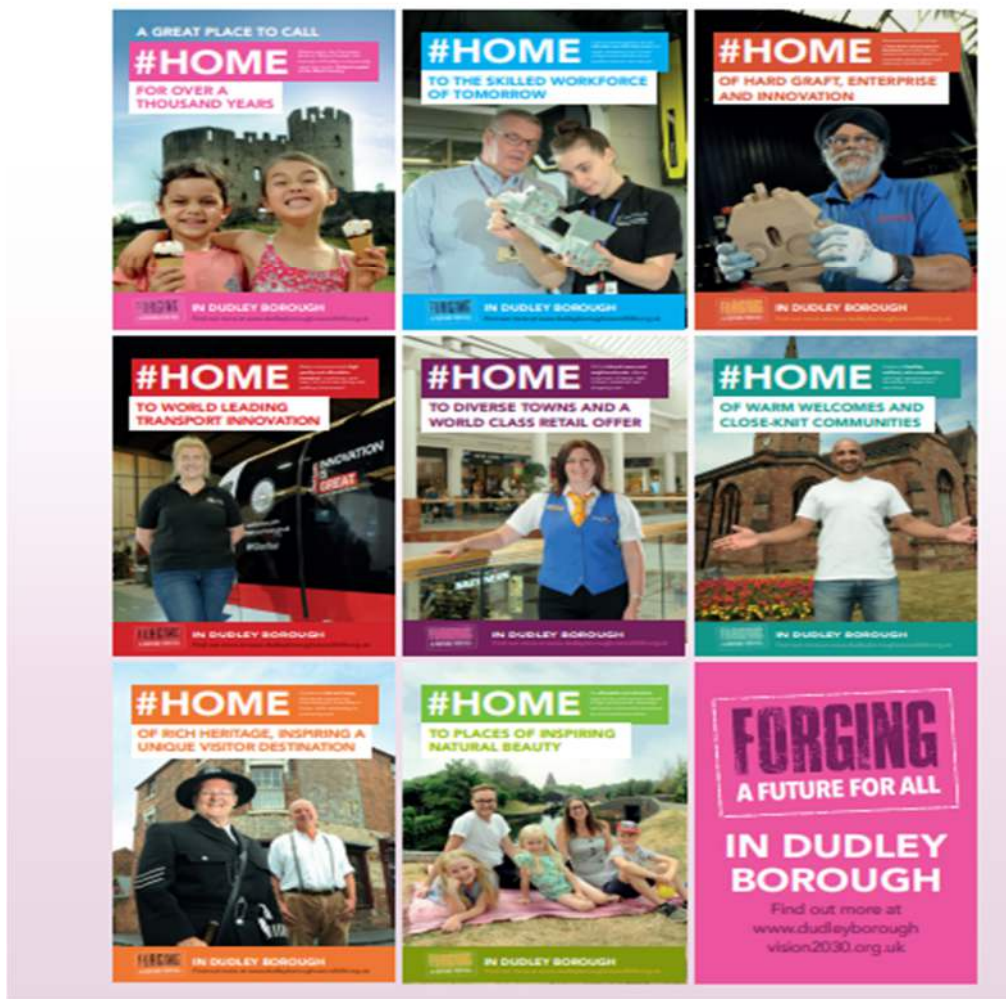
## **Dudley Borough Vision**

The Dudley Borough vision is a partner and community led vision that outlines ambitious plans to create a thriving Borough by 2030 where people want to live, work and visit.

The vision has seven aspirations for the future of the Borough:

- Tourism – home of rich heritage, inspiring a unique visitor destination. A place to visit and enjoy that drives opportunity, contributing to its ambitious future while celebrating its pioneering past.
- Towns – home to diverse towns and a world class retail offer. Full of vibrant towns and neighbourhoods offering a new mix of leisure, faith, cultural, residential and shopping uses.
- Transport – home to world-leading transport innovation. Better connected with high quality and affordable transport, combining road, tram, rail, and new cycling and walking infrastructure.
- Business – home to hard graft, enterprise and innovation. Renowned as home to a host of innovative and prosperous businesses, operating in high quality locations with space to grow, sustainable energy supplies and investing in their workforce.
- Education – home to the skilled workforce of tomorrow. A place where everybody has the education and skills they need, and where outstanding local schools, colleges, and universities secure excellent results for their learners.
- Community – home of warm welcomes and close-knit communities. A place of healthy, resilient, safe communities with high aspirations and the ability to shape their own future.
- Environment – home to places of inspiring natural beauty. An affordable and attractive place to live with a green network of high-quality parks, waterways and nature reserves that are valued by local people and visitors.

## Borough Vision 2030



Dudley Council is playing a key part in the development and delivery of these ambitions alongside our partners in local NHS organisations, the police, the fire and rescue service, colleges, tourist attractions, businesses, faith leaders and many more.

A Forging a Future Executive has been formed to drive forward these ambitions with each aspiration having a partner lead, action plan and set of key workstreams.

# Dudley Borough in numbers 2024

### Population 324,969<sup>2023</sup>

Number of young people aged under 15 is **57,790**

Number of people aged 65 and over is **66,544**

### Tourism

Our borough consists of several visitor attractions including Dudley Zoo and Castle, Black Country Living Museum, Dudley Canal & Cavens, Hensley Hill and Park and The Lace Guild. Making up the Stourbridge Glass Quarter are the Red House Glass Conis, Stourbridge Glass Museum and Ruskin Glass Centre. Dudley Museum at the Archives is also the headquarters of the Black Country UNESCO Global Geopark. Further information can be found at [www.discoverdudley.org.uk](http://www.discoverdudley.org.uk)

There were **9.4 million** visitors to the borough of Dudley in 2022, contributing **£402 million** to the visitor economy of the borough. (Source: 2023/24 Report for Dudley 2019-2022)

### Health

Average life expectancy for men **78.3** years

Average life expectancy for women **82.4** years

Life expectancy for men in the most deprived areas of Dudley is **9.2 years lower** than in the least deprived areas, **8.6 years lower** for women. (Source: 2024-25)

### Welfare & benefits

**23,549** claimants in receipt of Housing Benefit or Council Tax Reduction (as at 30/09/2024)

**£570k** awarded in Discretionary Housing Payments (as at 30/09/2024 awarded for 2023)

### Housing

**141,641** residential properties

**20,952** Council housing (2023/24)

the average house price is **£238,630**

West Midlands average is **£258,973** (Source: 2024-25)

### Deprivation

**104<sup>th</sup>** most deprived of 317 local authorities in England (Index of Multiple Deprivation, Index of Deprivation 2019)

**28.8%** of the Dudley population live in areas amongst the 20% most deprived in England

**17%** of the Dudley population live in areas amongst the 20% least deprived in England

### Employment

Employment rate is **79.7%**, highest employment rate in the Black Country (as at 30/09/23)

**TOP THREE EMPLOYMENT SECTORS ARE**

- Health (14,000 staff) (SFES 2021: open access)
- Retail (12,000 staff)
- Education (10,000 staff) (SFES 2020: open access)

Median wage is **£31,635** highest average full-time earnings in the Black Country in 2023

### Environment

Area of **38 sq miles/ 98 sq km**, of which...

**14%** is publicly accessible open space (2023)

### Community Safety

Dudley is the safest borough within the West Midlands Police Force area with the lowest crime rate per 1000 population.

### Education

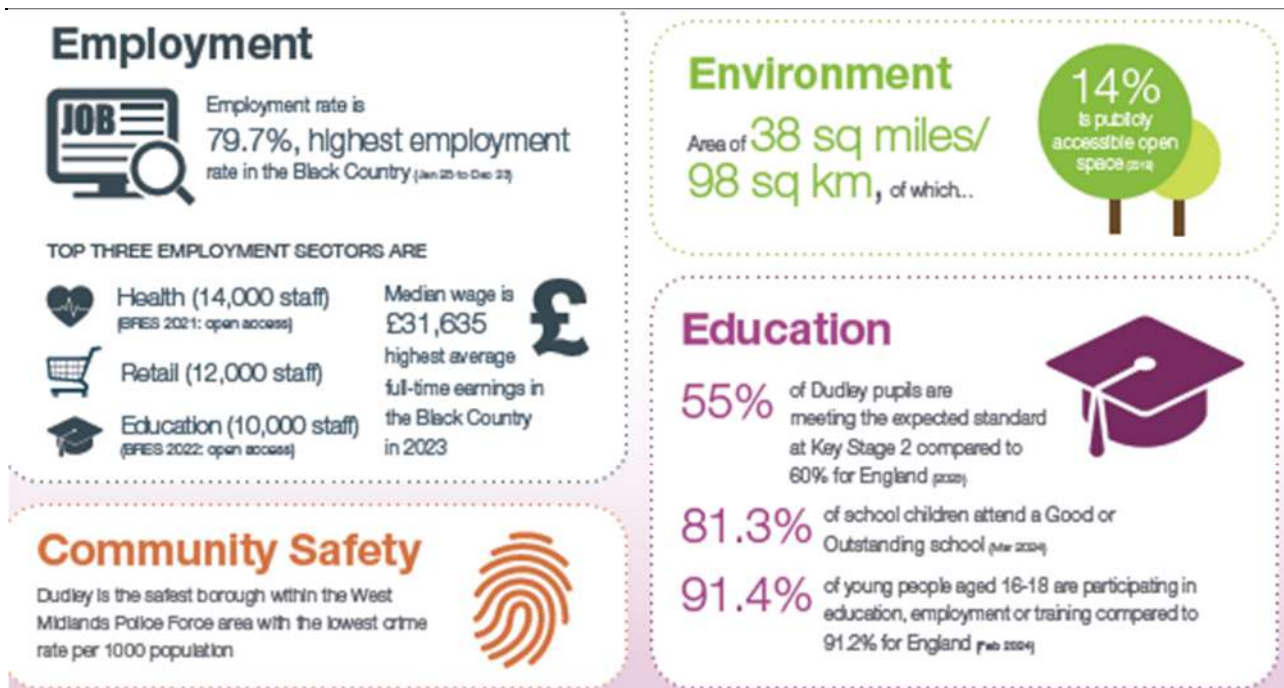
**55%** of Dudley pupils are meeting the expected standard at Key Stage 2 compared to 60% for England (2023)

**81.3%** of school children attend a Good or Outstanding school (2024)

**91.4%** of young people aged 16-18 are participating in education, employment or training compared to 91.2% for England (2023)

Update April 2024





**Priorities for the Council**

During 2024/25, given the scale of the financial challenges facing the Council and as part of our response to external reviews and audits, the Council Plan 2022 – 2025 was paused and replaced by a one-year plan focusing on the Improvement and Sustainability Programme. This aimed to establish the foundations required to assure delivery of Dudley Borough’s Vision, Forging a Future for All, through effective strategy, governance, and financial sustainability.

Organisational Redesign will enable the Council to meet the following financial Programme Objectives:

- Develop a Financially Sustainable Corporate Strategy.
- Define the organisation, including Target Operating Model, required to deliver the Corporate Strategy.
- Establish financial governance and control of a sustainable budget to deliver the Corporate Strategy.

The plan has 5 key priority areas, supported by additional narrative on the outcomes that the Council aims to achieve including the need to improve its governance, decision making, leadership and financial resilience whilst maintaining the delivery of core services to our residents and communities:



We are working together to implement a phased response to sustained improvement across all key services and to the business operating model of the council. The Fit for the Future programme was the first phase in 2024. It was developed in response to the budgetary and demand challenges and to respond to the scrutiny reports received from the Local Government Association (LGA), Chartered Institute of Public Finance and Accountancy (CIPFA) and external auditors, which set out an urgent need for improvements. It resulted in swift and significant saving being identified and set the groundwork for the longer-term transformation of the council.



- A **Borough of opportunity** providing the best possible start in life with continued access to integrated health and social care as well as quality education and training allowing people to lead full and independent lives
- A **safe and healthy Borough** where we work hard to tackle inequalities, keep our communities safe in healthy, sustainable environments and improve individual health and wellbeing.
- A **Borough of ambition and enterprise** where regeneration and growth support innovation, modernisation, and access to a full range of opportunities for businesses and residents
- Dudley Borough the **destination of choice** with a wide range of attractions and accommodation where both residents and visitors can celebrate our diverse culture, history, and communities.

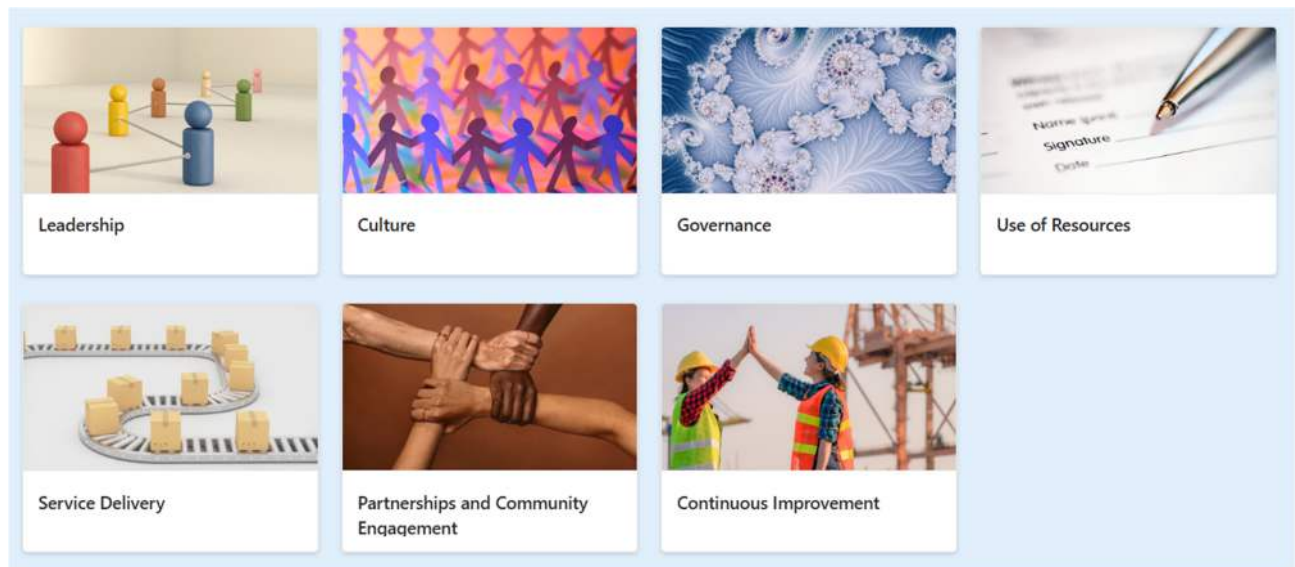
### Improvement Board and improvement Plan

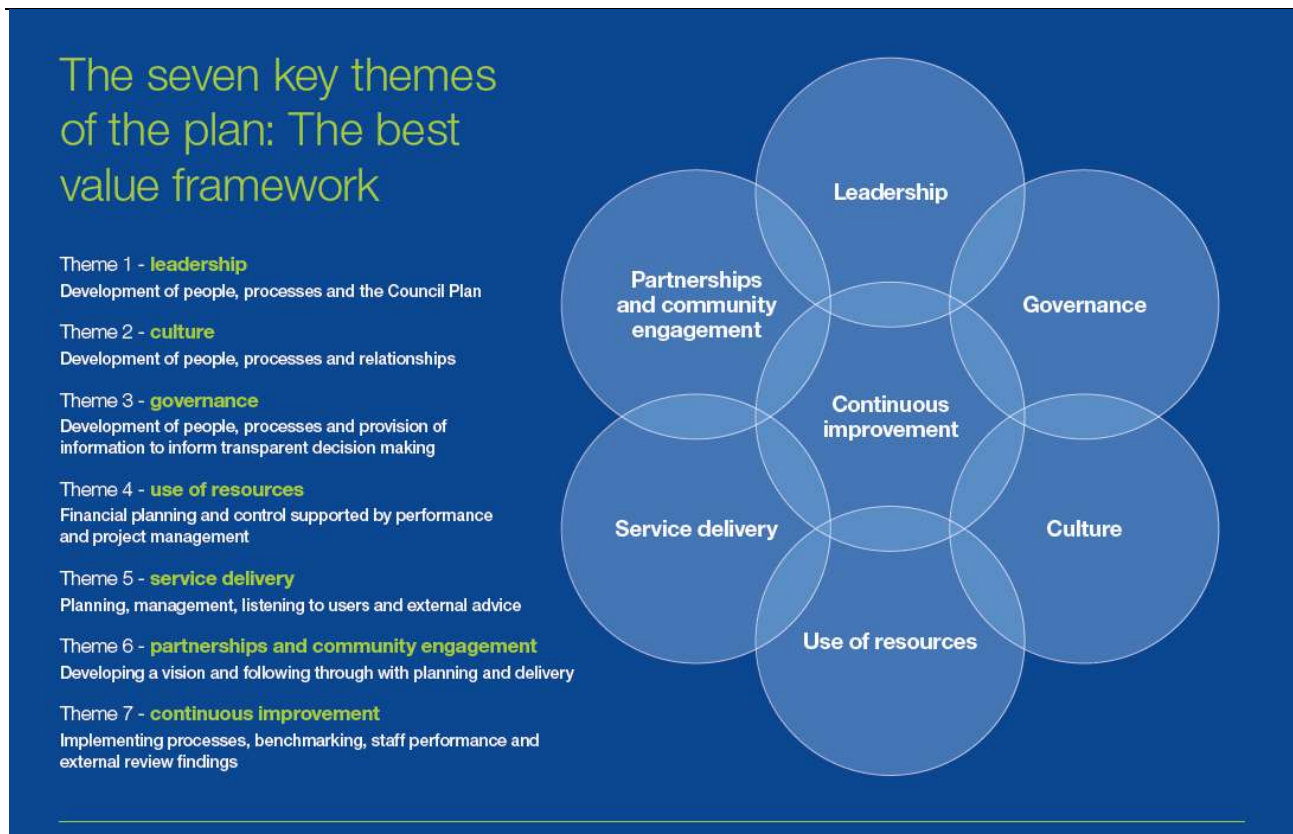
We are now developing a new Dudley Borough, and our Dudley Council Improvement Plan is at the heart of this new way of working. For the first time we have a single integrated plan and are confident this will lead us forward successfully in the next phase of the improvement journey.

The plan follows a co-design principle meaning leaders will be working together with staff from all levels, and across all functions of the council to redesign the organisation and its services.

Cross council working with services all working together, collaborative working as well as joint working with other organisations (such as health, police, voluntary and community groups) and communities is at the heart of the plan.

The plan is based around the government’s Best Value standards for local authorities. This guidance sets out seven themes of good practice, which provide the structure for our plan.





A comprehensive review of all areas is ongoing to ensure the Council can evidence value for money underpinned by well performing functions.

The delivery and outcomes from the plan will be overseen by the DMBC Improvement Panel made up of political and non-political achievers from the sector.

Chair – Kim Bromley-Derry CBE DL (former local authority Chief Executive, Director of Children’s Services)

Rob Whiteman CBE (former Chief Executive of CIPFA and Finance lead))

Richard Kemp CBE (Lord Mayor of Liverpool and lead Liberal Democrat Group advisor)

Helen Holland MBE (Local Government Association peer advisor and lead Labour Group advisor)

Rob Waltham MBE (Leader of North Lincolnshire Council and Conservative Group advisor)

Helen Murray (Principal Advisor at the Local Government Association (LGA))

We will make full use of the Board’s knowledge, skills and networks to drive our improvements at pace and ensure that Dudley MBC is a fit body to deliver services to our residents and businesses.

The Plan also includes the wider transformation of the Council.

In summary it will seek to address/evidence:

- Implementation of actions from the LGA, CIPFA and our external auditors.
- The achievement of financial sustainability through effective management of the MTFs and a clearer focus on key priorities.
- Sustainable improvements in governance, leadership, and culture.
- Improved effectiveness of Audit and Scrutiny functions.
- Development of the 10-year Vision for the Borough developed with our partners and communities underpinned by the new corporate plan.
- Improved consultation with residents and partners.

- Adoption of the Council’s Business Development Strategy which will set out the wider transformation projects which maximise use of technology and automation tools and continuous improvement across all key functions.

Measures of success will be developed to enable effective tracking of progress to evidence:

- The Council has a stable and effective senior leadership team, its structure fits within a bigger corporate plan and designed to meet its wider strategic objectives.
- The council is able to demonstrate it has a clear focus on its residents and customers and is responsive to their needs and demands.
- The council has reviewed its Audit and Scrutiny arrangements and functions in place for council decisions, and members and officers demonstrate they understand and respect their roles in council business.
- The Council is making maximum use of its investment in technology and is using technology to drive down costs, increased self-service/automation and create capacity to assist those who need it.
- The council has developed and can demonstrate an organisational culture, at all levels, where staff are enabled and empowered to constructively challenge and improve ways of working.
- The council can demonstrate it is developing and deepening relationships with external partners across the region and sector.
- Decisions made by the Council are done so via well understood and transparent channels and supported by evidence.
- The Council can demonstrate it is focused on continuously improving in all areas and has robust processes in place to collect and analyse data on its delivery, and to manage its performance effectively.
- The Council can demonstrate it is financially resilient and makes investment decisions in the context of a longer-term financial plan.
- The correct processes, governance and behaviours will be in place to ensure these changes stick. Most importantly how these changes will improve outcomes for our residents.





The Future Council programme ensures that the council is “fit for the future”, with a comprehensive programme including:

- Workforce: we will be an employer of choice, our values and behaviours will define how we work together, development opportunities to acquire new skills and our smaller, diverse and agile workforce will reflect the population of Dudley.
- Innovation: we will do things smarter by utilising technology, data insight and analytics will be fully utilised, and we will transform wellbeing and care through digital technologies, delivering improved outcomes for service users.
- Physical Assets: all of our buildings and facilities will be fit for purpose, low carbon and embracing the latest technology. We will make all of our buildings available to provide shared spaces for communities to come together and with improved public transport and cycling facilities there will be reduced reliance on private cars.
- Financial Sustainability: challenging ourselves to deliver value for money, operating on a commercial basis and maximising value from procurement.
- Governance & Processes: strengthening our governance, processes and procedures to take informed and transparent decisions, managing risk, setting clearly defined functions and roles and ensuring robust accountability whilst upholding high standards of conduct and behaviour.

**Borough partnership work in Dudley**

Dudley has taken great strides in recent years to develop and enhance its partnership working and reinforce its role as enabler and facilitator in the process.

Our partnership approach with business, tourism, education and voluntary sectors has led to a real ‘One Place’ ethos that has received praise by national government and led to very significant funding opportunities being supported.

**National and regional partners**

Borough Vision partnerships include:

- West Midlands Combined Authority
- Black Country Consortium Ltd
- West Midlands Faiths Forum
- Healthier Futures, Black Country and West Birmingham Integrated Care System
- Dudley Health and Wellbeing Board
- Safe & Sound, Dudley's Community Safety Partnership Board
- Dudley Employment and Skills Board
- Dudley Economic Growth Board
- The Cornbow, Halesowen
- Black Country Chamber of Commerce
- Dudley College
- The Dudley Group NHS Foundation Trust
- Dudley Integrated Health and Care NHS Trust
- Black Country Transport
- Dudley CVS
- West Midlands Police
- CHADD
- The Church of England in Dudley

The Council works closely with partners including the West Midlands Combined Authority (WMCA), Black Country Chamber of Commerce, Black Country LEP, West Midlands Growth Company, Homes England, Midlands Engine and private developers to stimulate regeneration and investment in Dudley.

The council has been working extensively with our regional partners to secure funding for a variety of major projects; some of which the council are delivering directly or with external partners and stakeholders. Grant funding has also been received from the Department for Levelling Up, Housing and Communities, Historic England, the Arts Council for England and the Heritage Lottery fund. Partnership working also takes place with Dudley Zoo and Castle, the Black Country Living Museum and GLL, the largest UK based social enterprise, which runs our libraries and archive service.

The WMCA has helped to secure government funding that is helping to drive our economic performance, and it has either facilitated or influenced significant investment in the Dudley MBC area with completed and planned projects including:

- Over £200m investment into the land remediation fund for the Black Country to bring contaminated brownfield land sites back into use.
- Development of the Local Transport Plan
- Funding for the Brierley Hill Metro Extension
- New Dudley Interchange Bus Station (£25m) and highways infrastructure funding
- Active Travel schemes including school-based provisions.
- Cycling and walking connections
- ULEV infrastructure development
- Additional pothole funding £1.6m
- Delivery of hydrogen fuel cell and battery electric buses to move towards zero emissions
- Dudley Business and Innovation Enterprise Zone DY5
- Development of an Institute of Technology at Dudley College
- Very Light Rail Test Track and Innovation Centre
- UKSPF support to create vibrant town centres and places, supporting voluntary and community sector organisations and encourage resident engagement.
- Enhancing promotion of the Borough's visitor attractions
- Developing a Cultural Strategy for Dudley
- Partnership working with Energy Capital delivery team and partners including EQUANS.
- Over £2m grant under the Social Housing Decency Fund towards ventilation, insulation and heating works to 192 properties.

- 
- Support for community environment projects through the Community Green Grants and Community Environment Fund
  - Tree planting through the West Midlands Forest Partnership

Meanwhile Dudley's relationship with its nearest neighbours in the Black Country is reinforced through the Association of Black Country Authorities (Dudley, Sandwell, Walsall and Wolverhampton) which provides a forum for discussion and joint working opportunities for shared objectives, particularly over the economy.

The Local Plan (also known as the Development Plan) sets out a vision and a framework for the future development of an area. It helps to set land use planning policies and forms the basis of decisions on planning applications and other matters relating to land use and development of land. It provides certainty for developers and protection for sites and buildings that are of value for environmental, economic and social reasons.

Dudley's Local Plan sets out the council's vision for the Borough, priorities for the plan, preferred policies and proposed housing and employment sites.

Key priorities and objectives for the Plan include:

- tackling climate change.
- maximising inward investment and employment opportunities.
- providing a mix of housing and affordable homes for all.
- improving health, wellbeing and tackling health inequalities.
- protection and enhancement of our green and natural environment.
- delivering regeneration, renewal and stronger communities.

The Dudley Local Plan was submitted to the Secretary of State on 14 February 2025 following local consultation. Formal adoption is expected by winter 2025 / spring 2026 following independent examination by a Planning Inspector.

### **External Consultation & Engagement**

Engaging with our communities is vital and we use a variety of face to face and digital channels to keep people informed and get residents involved with their local council.

Dudley Council supports Community Forums across the Borough as a key mechanism for engagement with local communities providing an opportunity for local councillors, police, residents, local organisations and businesses to come together on a regular basis. There are five forums, each covering a number of wards. The 'Your Home, Your Forum' meetings as they are now known, take place in community venues three times a year. The forums are informal and give people the opportunity to have their say, discuss what is good about their local area and what can be made better, and to work together to generate ideas and solutions to improve the local community and area. Grants of up to £2,500 can be awarded to voluntary or community organisations which are based in Dudley Borough, or which benefit people living in the Borough.

Housing services undertake targeted engagement with tenants and residents in a number of ways, including through Tenants and Residents Associations (TRAs), the Customer Scrutiny and Involvement Group, the Dudley Voice group, estate walkabouts, surveys and networking events.

The Regulator of Social Housing's Consumer Standards require the council to:

- Be transparent about their performance and decision-making – so that tenants and the regulator can hold the Council to account.
- Put things right when they go wrong.
- Listen to tenants through effective engagement.

---

The Neighbourhood Model, and the associated restructure of housing management services, was implemented during 2023/24 and embedded during 2024/25 to improve services and ensure that our teams reconnect with customers, elected members and communities. The principles of the model are to strengthen our approach to neighbourhood management through an increased presence, with greater visibility of Housing staff, ensuring greater local involvement of customers, Ward Members and partner organisations.

As part of our commitment to communicate better with tenants, we have opened Housing Hubs and surgeries across the Borough. As well as acting as a focal point in our communities from which advice surgeries and estate walkabouts can be based, the hubs will increase opportunities for partnership working, both with other council services and with key partners.

A number of High-Rise Living Events continue to foster positive professional relationships amongst colleagues and strengthen cross-team working, forge stronger partnerships with other council departments and promote inter-agency working with external partners at both strategic and operational levels. Further events are being planned in our high-rise buildings and in high priority low rise buildings.

Following the review of the council's approach to customer involvement and engagement in 2023/24, a revised Customer Engagement and Involvement Strategy was developed. This includes responsibilities for each of our involved customer groups to ensure value for money, customer satisfaction and outcomes. The Strategy provides a robust framework for listening and responding to feedback from our customers to continuously improve customer experience and satisfaction and ensures that we listen and respond to our customers' voice in breadth and depth.

Dudley Federation of Tenants and Residents Associations (DFTRA) is the umbrella group for TRAs across the Borough and offers an important link to our communities – the service level agreement with DFTRA was reviewed as part of the strategy work to ensure that the work of the Federation and individual TRAs supports the delivery of the new consumer standards. DFTRA's objectives for 2024/25 were to:

- Work in partnership with Community Involvement and the Housing and Communities Directorate to improve services and ensure compliance with Consumer and Building Safety Standards.
- Work in partnership with Dudley Council and partners to ensure community safety and development.
- Effectively support TRA members.
- Meet DMBC requirements for funding.

DFTRA's annual report for 2024/25 details how the organisation met these objectives.

Customer engagement also includes the Dudley 500, a database of Dudley residents who are helping us to shape our housing and community service by completing short surveys online. The surveys are quick and easy to complete and allow people to have their say about the way that services are provided.

The Readers' Panel provides an opportunity for customers to share their thoughts about our public information documents, letters, information booklets and newsletters, and comment on the way they are written, making sure we use easy to understand language. There are no meetings to attend, and documents are sent out by email with feedback having been provided recently on the fire safety booklet, repairs responsibility booklet, access letters for safety checks, abatement letters and most recently the Tenants Annual Report.

Likewise, the role of all other involved customer groups has been reviewed and refreshed to ensure that the council has the necessary arrangements in place to hear our customers' voice in breadth and depth. This has included a review of the Housing Board, responsible for scrutiny of the council's housing services, to ensure their remit and work programme ensures effective scrutiny and complements other audit and scrutiny functions within the council. Following the review the Housing Board has been renamed the Customer Scrutiny and Involvement Group, and new members have been recruited to deliver the customer led scrutiny work

A new Customer Assurance Board will be set up, comprising a representative from each of the involved customer groups. The nominated Chair of the Customer Assurance Board has a place on the Housing Assurance Board to ensure customers are represented in all discussions. The Customer Assurance Board will also review progress against the strategy action plan and will provide updates and highlight any key achievements or concerns to the Housing Assurance Board.

The Housing Assurance Board was established in 2023/24, with representation from our Cabinet Member and Shadow Cabinet Member for housing, customer representation, and two external non-Executive Directors bringing external expertise to the work of the Board. The Housing Assurance Board oversees the performance of the directorate and provides governance and assurance to Members, customers and the Regulator on the delivery of housing services.

The Parks Development Team actively work with 32 Friends groups, working together to develop and improve our parks and open spaces including developing management plans, external accreditations (such as Green Flag) and external grant applications. Some of our groups also undertake small scale maintenance tasks on the parks and organise community events and activities.

The Countryside Services Team work with 14 Friends groups to deliver practical volunteering on our sites as well as events and funding applications.

### **Dudley Youth Council and Children in Care Council**

Dudley Youth Council and Children in Care Council are supported and resourced by the local authority in order to ensure that young people, in particular those looked after, are working towards.

- Stimulating and improving joint working between young people and decision-makers
- Developing and leading projects that benefit and improve facilities and services within the local area for young people
- Promoting positive images of young people
- Encouraging and supporting young people to become involved in community action
- Acting as a voice for young people's views
- Contributing to oversight and scrutiny

Both groups and their associated projects, including UKYP and Youth Crime Commissioners, work with local authority decision makers in order to contribute to the leadership, governance and future planning within the Borough when addressing services for children and young people as well as their wider community.

### **Organisational leadership and governance**

#### **Political arrangements**

The Council is divided into 24 three-member wards with election currently by thirds in three out of every four years although, exceptionally, in 2024 elections took place for all members as a consequence of boundary changes. The Council operates under a Leader and Cabinet model. The Cabinet, Cabinet Members and Directors are responsible for most day-to-day decisions within the Council. The Cabinet is made up of the Leader appointed by the Council and up to 9 other Councillors (Cabinet Members) appointed by the Leader. The Council has adopted a written Constitution which sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people.

Cabinet portfolios and the delegated responsibilities of Directors are set out in the Constitution. This assists the development of strategy and policy and decision making.

The Council has experienced a number of changes in political control in the past decade. There have been periods of Conservative and Labour administration and periods of no overall control.

The current political balance of the Council is

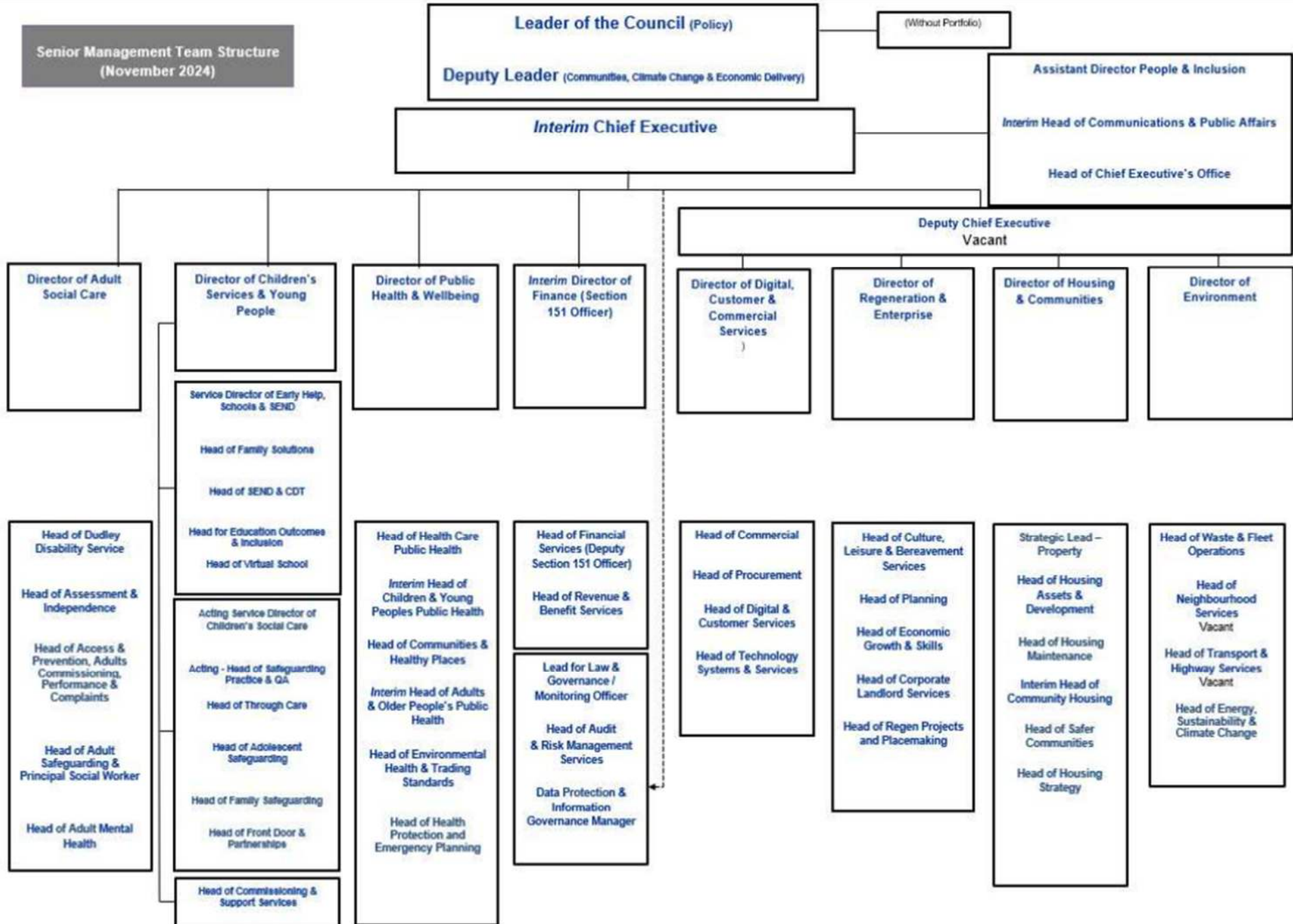
Conservative Group	35 seats
Labour Group	24 seats
Dudley Independent Group	6 seats
Liberal Democrats	5 seats
Independent Councillors	2 seats

---

At the Annual Council meeting in May 2024 a Labour Mayor was elected. When necessary, the Mayor has the casting vote at full Council meetings. The Leader of the Conservative Group was elected as Leader of the Council in May 2024 and serves for a 4 year term in line with the Constitution.

**Senior management arrangements**

The Chief Executive was Kevin O’Keefe until 30 September 2024. Balvinder Heran has been in post as Interim Chief Executive since 1 October 2024 and was appointed as Chief Executive on 28 April 2025. The current senior management structure, in operation during 2024/25, is shown in the following diagram (overleaf).



## Aligning Capacity with Priorities

The Medium-Term Financial Strategy (MTFS) sets down the approaches that will be used by the Council in assembling, organising and deploying its financial resources to deliver the objectives set down in the Improvement Plan which was presented to Cabinet and Full Council in the first quarter of 2025.

The MTFS sets out Guiding Principles which are presented for agreement by Cabinet and Council in seeking to obtain sustainable financial balance in the medium term

The MTFS has the following strategic goals:

- To provide a framework within which the Council is able to achieve a series of balanced budgets in the medium term to support the delivery of the Improvement Plan and to enable strategic improvement.
- By doing so to reach for an assurance of both financial stability and sustainability and to deliver these in the short, medium and long term.
- To enable successive budgets to be balanced using sets of Guiding Principles that are commonly adopted across the Local Government sector and to apply these rigorously; and
- To provide a budget and risk structure within which the Improvement Plan can be completed, approved and delivered to meet the needs of stakeholders.

The Medium-Term Financial Plan (MTFP) sets out the planning assumptions and financial limits formed by the relevant funding constraints presently assumed. These will be updated tri-annually (i.e. 3 times in each year) moving forward.

## Resources - Finance

### Background

- Our Settlement Funding Assessment per head is above the national average, but our Council Tax is well below average and so our actual spending per head is below average.
- We have a low level of un-ringfenced reserves - 9% of net revenue expenditure (31<sup>st</sup> March 2024) against the national average of 55% (31<sup>st</sup> March 2022).
- We have an effective treasury management strategy with a Net Average Borrowing Rate of 3.96% compared to a benchmarking group average of 3.80% (31<sup>st</sup> March 2023).

### Medium Term Financial Strategy (MTFS)

For accounting and financial management purposes, the Council's expenditure and income is split by law between the Housing Revenue Account (HRA) which covers Public Sector Housing (Council houses), the Public Health Grant which remains ring-fenced and covers health-related activities, the Dedicated Schools Grant (DSG) which covers school and school-related funding, and the General Fund which covers other activities.

The Council has separate Medium Term Financial Strategies (MTFSs), but with the same underlying principles, covering its HRA and General Fund. The principles underlying the MTFS apply to all aspects of Council activity, including the Housing Revenue Account (HRA).

### General Fund MTFS

The overall suite of savings selected to ensure that the MTFS is balanced in the medium term will reflect a blend of savings gathered from efficiencies and adoption of best practice, the adjustment of service levels (sometimes cessation or suspension of previous service levels) and transformational savings. The council has explored and will continue to explore all of these dimensions as it considers the balancing of the 2025/26 Budget and years following. Work is in progress to deliver a transformational approach to delivering savings in both the short and medium terms. The approach can be discerned in three key areas:

- The Council's Improvement Plan to be considered by Full Council in January 2025.

- The development of a new Target Operating Model by the Council including the Senior Management review.
- A Council wide transformation programme development of which is beginning, and which will be developed further through financial year 2025/26.

The current General Fund MTFs covers the period up to 2029/30. It was approved by Council in March 2025, following consultation on and scrutiny of initial proposals agreed by Cabinet in January 2025. It can be summarised as follows.

	2025/26	2026/27	2027/28	2028/29	2029/30
	£m	£m	£m	£m	£m
<b>Net Revenue Expenditure</b>	<b>367.4</b>	<b>376.1</b>	<b>382.6</b>	<b>396.0</b>	<b>409.8</b>
<b>Total Resources</b>	<b>367.4</b>	<b>376.1</b>	<b>382.6</b>	<b>396.0</b>	<b>409.8</b>
<b>Surplus / Deficit (-) in year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Including contribution to reserves	5.0	5.0	5.0	5.0	5.0

The Local Government Finance Settlement was once again a one-year settlement for 2024/25 only and included a national redistribution of funding from rural to urban deprived areas. As part of the Provisional Local Government Finance Settlement, announcements were made regarding multi-year settlements. The Government has stated that it recognises that councils are better able to plan their resources if they have a longer-term settlement and have therefore committed to a three-year settlement in December 2025 for 2026/27, 2027/28 and 2028/29. The MTFs assumes that overall Government funding and Dudley's share of that funding are the same in 2025/26 onwards as in 2024/25. However, this is a risk, and the actual outcome may be better or worse than this assumption.

The General Fund MTFs assumes that Council Tax increases by 4.99% in 2025/26 and subsequent years.

### Housing Revenue Account MTFs

Like the General Fund MTFs, the Housing Revenue Account MTFs covers a five-year period.

The Council self-referred to the Housing Regulator in April 2023. Since that time very strong, consistent progress has been made in respect of improving compliance in key areas such as fire, gas, electrical, legionella, Asbestos, lifts, smoke alarms and CO2 detection. In addition, the Council has undertaken the work necessary to ensure that compliance with and reporting against the revised regulatory standards, which came into force in April 2024, is in place. In early 2023 a full stock condition survey of all housing stock was commissioned giving, for the first time, a robust, up to date position on the condition of our stock and the investment required to maintain compliance and decency, enabling a maintenance programme to be developed which has seen cost reductions across the housing revenue accounts and reserves in that area improved.

The Housing Teams work closely with our customer services teams to ensure that the tenant and customer experience continues to improve around repairs management and work is on-going to improve the housing data management systems to ensure continued improvement around the quality of management information relating to the nature, condition and sustainability of the stock, and using that information to inform future investment plans and evidence value for money.

The new Housing Asset Management Strategy and 30-year business plan is being developed, setting out the vision for all our housing investment and provision from 2025 to 2030.

The public sector housing capital programme focuses on:

- Ensuring regulatory compliance and building safety
- Ensuring adequate investment in void properties to reduce void loss and meet an acceptable void standard.
- Ensuring compliance with the Decent Homes Standard
- Improving the condition and safety of existing homes
- Investing in new homes that meet required standards and address current gaps in housing need

### Dedicated Schools Grant (DSG)

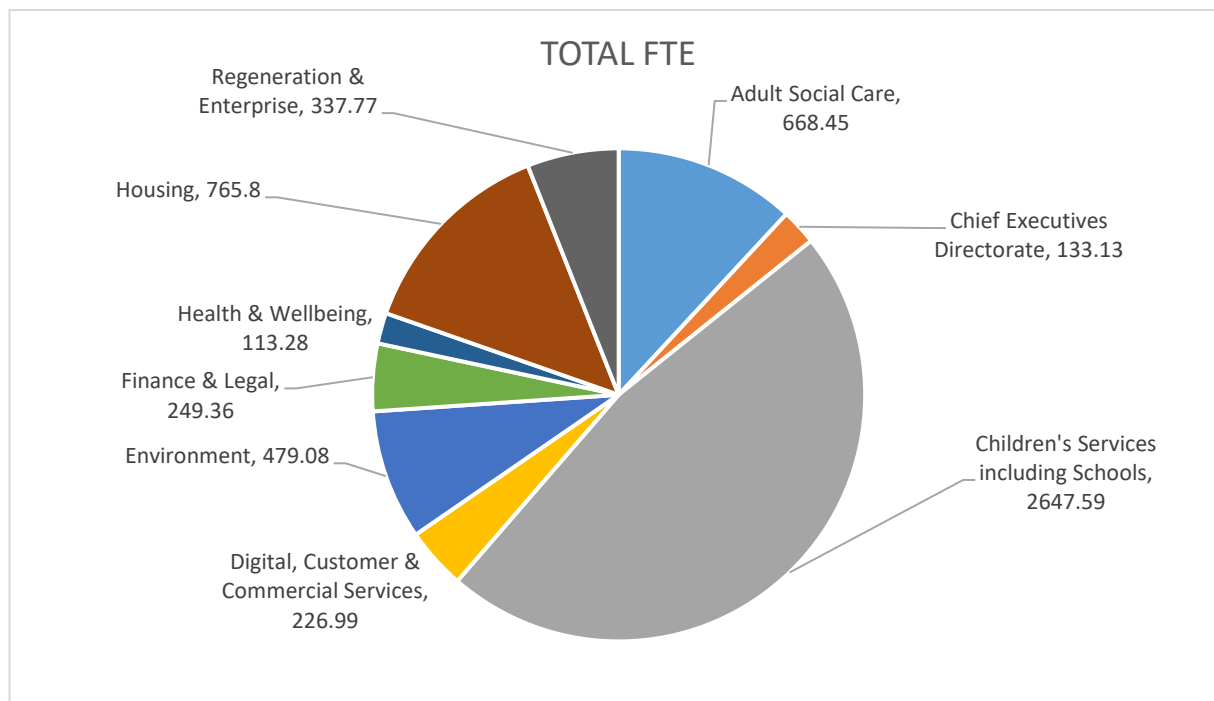
The majority of Special Education Needs and Disability (SEND) services are met from the High Needs Block within the Dedicated Schools Grant (DSG). In common with many other councils, we have been experiencing significant financial pressures from increasing demand for children that require additional educational support. Notwithstanding the high-level recovery plan that has been agreed, there is a cumulative deficit of £44.8m on the High Needs Block, with an overall DSG deficit at 31st March 2025 of £38.1m. The Government has regulated temporarily to ensure that this pressure does not impact the General Fund and has confirmed that this statutory override will be extended until 31st March 2026.

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 has provided dedicated support and funding to 55 local authorities. Dudley was selected in 2022 to participate in Tranche 1 of the programme to work alongside Newton Europe, in collaboration with the Chartered Institute of Public Finance (CIPFA) and £1m grant was awarded to support the improvement of outcomes for children with Special Educational Needs during 2023/24 and 2024/25.

The local authority's DSG Management Plan sets out plans to mitigate this ongoing pressure. The Management Plan is submitted to DfE and refreshed annually and is the basis of regular monitoring and review meetings including to the DBV Programme Group and the SEND Improvement Board. As at the end of December 2024, numbers of children with EHCPs (Education, Health and Care Plans) continue to increase but the rate of increase has stabilised from 8.2% during 2023 reducing to 4.3% increase during 2024. This is a lower rate of increase than the national average. Cost pressures however continue in spite of the slower rate of increase in numbers, with particular pressures in the independent special school sector.

**Resources - People**

As at 31st March 2025 the Council employed 5,621.45 Full Time Equivalent Staff (FTE) across its Directorates:



Our people resource is crucial to the successful delivery of the Council's strategic objectives.

Our ambition is to create a positive, inclusive and healthy working environment where our workforce feels valued, supported and able to fulfil their potential in delivering the Council's ambitions and priorities. When our workforce feel engaged, invested in and involved, this leads to improved performance and results in better public service delivery to our diverse communities.

We have used feedback from employee engagement via a number of employee surveys, reviews and focus groups and informed by evidence from directorate workforce planning, the Strategic Review of HR & Organisational Development, Local Government Association (LGA) peer review, workforce data and the learning derived from the recent COVID-19 pandemic. Our elected members' ambitions are to expand our investment in "growing our own" and to be the employer of choice.



### Resources – Physical Assets

As at 31<sup>st</sup> March 2025, the assets used by the Council to provide services included:

37 Primary Schools and 1 Nursery School  
 4 Secondary Schools  
 7 Special Schools  
 1 Pupil Referral Unit  
 Around 1,208 km of highways, 33,700 street lights and 4,550 illuminated traffic signals  
 3 Leisure Centres  
 Around 20,700 Council Houses and Flats with over 1,200 Leasehold Flats  
 2 multi-storey, 1 two-storey and 60 other car parks

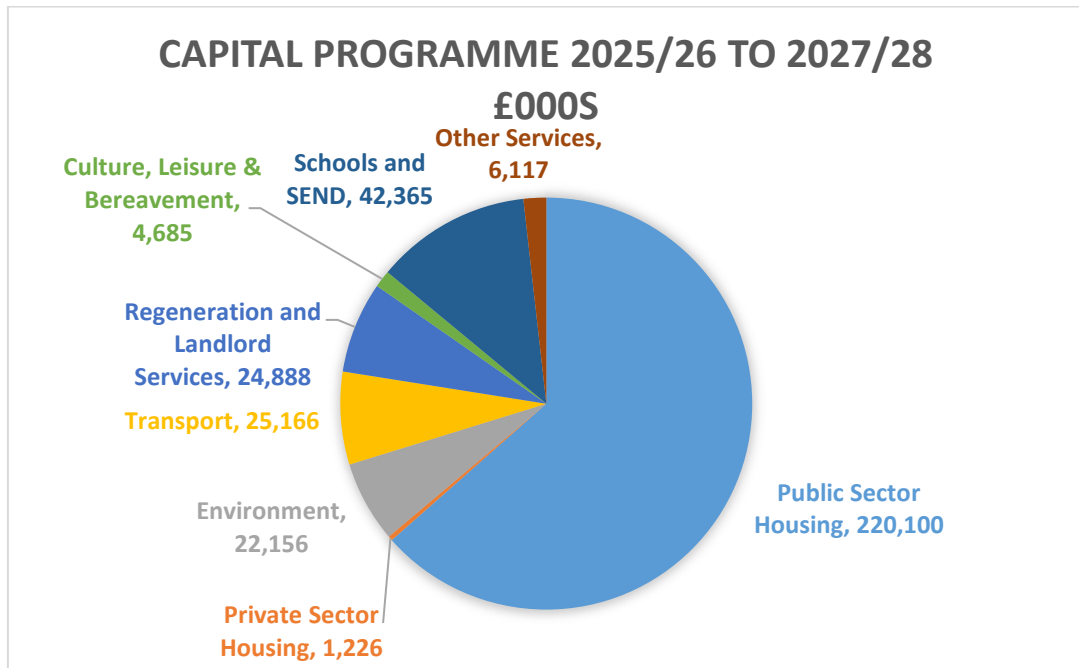
The Council has a corporate estate strategy which reflects the key Council Plan aims, recognising that good asset management should help the Council to

- Empower communities and engender civic pride;
- Improve the economic wellbeing of an area;
- Increase co-location, partnership working and the sharing of knowledge;
- Reduce carbon emissions and improve environmental sustainability;
- Prioritise and align resources with the Customer Connect initiative to deliver exceptional services for citizens of and visitors to Dudley.

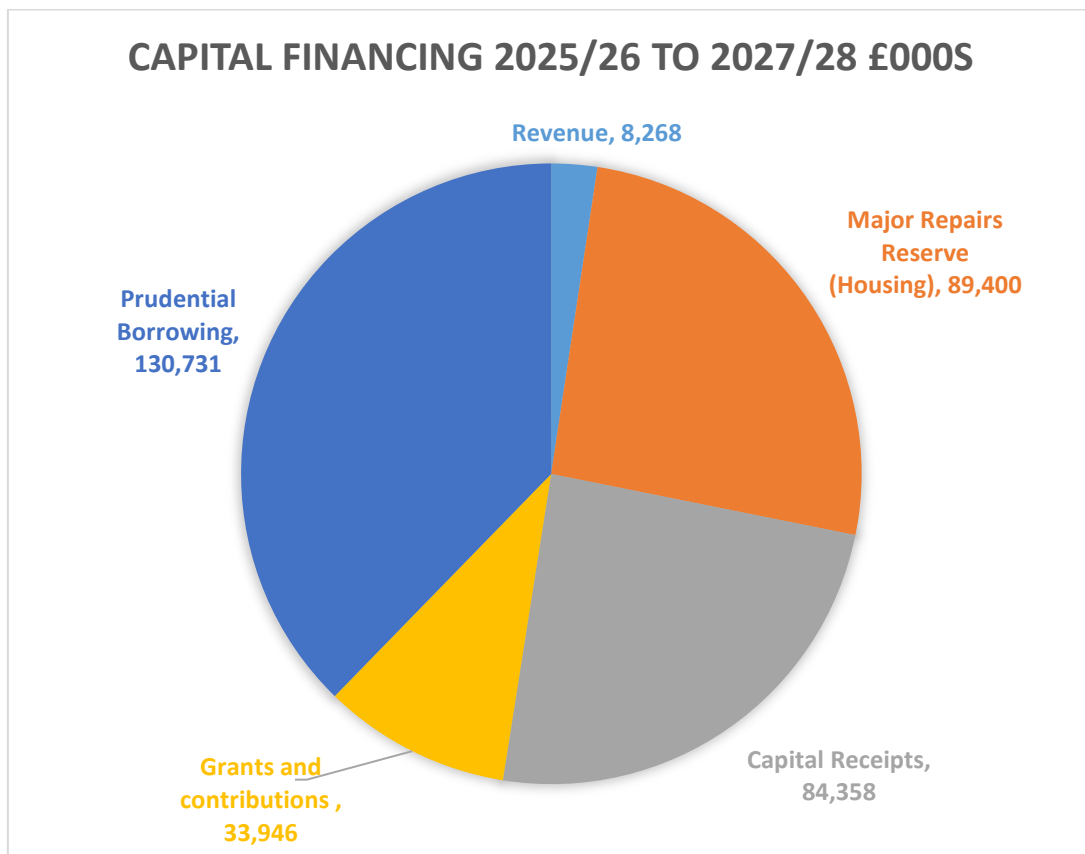
It will facilitate proactive management of the Council's assets and generate ongoing savings and/or new revenue income.

Taking into account the Council's capital grant allocations, together with affordable levels of "prudential" borrowing and locally generated capital resources in the form of capital receipts and contributions from revenue budgets, the current 3-year Capital Programme (2025/26-2027/28) totalling £347m and its funding is as follows:

Spend: £347m



Financing: £347m



---

## Capital Investment Priorities

The Council's current capital investment priorities, including those where it is working in partnership, are as follows, as set out in the Capital Strategy agreed by Council in March 2025:

### Guiding Principles:

- Items of programming that relate to essential health and safety works and/or which deliver compliance with the regulations within the Council's property estate.
- Items of programming that have a measurable, beneficial impact on the carbon footprint of the Council and the Borough and where the cost implications are affordable.
- Essential investment in Information and Communications Technology (ICT) (both hardware and software) to ensure that the Council has fit for purpose and secure tools and infrastructure to support operations generally and transformational programmes where there are suitable business cases to support such investment.
- Items where following provision of external grant support (principally from Government and the WMCA) specific resources are provided to the Council to complete or partially complete certain specified schemes that support the Council's objectives or wider regional ambitions such that match funding is required. Such match funding must be affordable to the Council and decisions made must demonstrate the Council's duty to achieve VFM.
- Any schemes that can be shown to be wholly funded from external resources (e.g. Government or WMCA grants, external contributions) without implying additional cost burdens for the Council.
- Where proposals are estimated to return a measurable revenue saving; for example, investment in the Council's commercial property portfolio (held for regeneration purposes) which may imply a modest capital investment and an improved rental stream.
- Schemes for which there may be a perception of compelling need but where such schemes are wholly dependent on Council funding and where a rigorous business case has been prepared which demonstrates beyond doubt that additional cost pressures can be assuaged by savings or removal of existing capital programming.
- These Guiding Principles for Capital apply equally to the General Fund and HRA Capital programmes.

### Public Sector Housing

The revised capital programme focuses on:

- Ensuring regulatory compliance and building safety.
- Ensuring compliance with the Decent Homes Standard.
- Improving the condition and safety of existing homes.
- Investing in new homes that meet required standards and address current gaps in housing need.
- Ensuring adequate investment in void properties to reduce void loss and meet an acceptable void standard.

### Private Sector Housing

Disabled Facilities Grant supports private homeowners in adapting their properties to accommodate disabled needs. A further £2m is included within Adult Social Care for Telecare devices and adaptations also funded using the Disabled Facilities Grant.

### Highways and Transport

The Transport Capital Programme supports maintenance, and improvement works on the Council's highway infrastructure and its associated assets, including street lighting, the repair and maintenance of pavements and public rights of way, structures, bridges and retaining walls.

Through effective asset management, the Council will continue to maximise opportunities offered by new technology using innovative ways of maintaining and improving its highway network.

The programme includes a variety of schemes aimed at maintaining and developing the Council's Highways network. As part of the 2024/25 capital programme 51 roads in the Borough have been resurfaced at a cost of circa £7.4m, a £2m investment has been made into LED street lighting to increase the efficiency of them, as well as an investment of £790k in strengthening bridges in the Borough including Mears Coppice and Wynall Lane. In the coming years there will be a continued investment into LED lighting circa £1m as well as annual investment into resurfacing and maintaining carriageways and footways.

### Economic Regeneration

The major schemes in this area relate to:

#### ***Brierley Hill Future High Streets Fund (£9.985m award)***

Programme to deliver mixed package of improvements within Brierley Hill town centre, including access, movement, improved air quality, improved public facilities and improved historic buildings, in advance of Midlands Metro reaching the High Street.

#### ***Brierley Hill High Street Heritage Action Zone (£2.3m award)***

Improvement of historic buildings and delivery of Community and Cultural programmes.

#### ***Lye Investment Programme***

Mixed regeneration framework with a focus on place making, intended to support new investment into the town centre. Includes access and movement package, residential redevelopment opportunities, high street public realm, improved connectivity to rail and bus services, community programme, cultural programme, land assembly, improvements to historic buildings and improved access to open spaces.

#### ***Levelling Up Partnership (Regeneration & Corporate Landlord Services)***

- (1) Development of a new Transport Technology Centre by Dudley College. This will provide expanded and modernised facilities for the maintenance and servicing of motor vehicles; and new propulsion technologies such as hybrid engine systems, electronic vehicles; and research in hydrogen power cell technologies.
- (2) Improved Skills Shop at the Merry Hill Shopping Centre operated by Dudley College. Facility provides prospective students with details of full and part-time courses within the college tailored to their learning. Frontage within the shopping centres where there is significant footfall.
- (3) Improved footpath and cycleway connectivity between Brierley Hill High Street and the Merry Hill Centre to address long-term severance within the strategic centre.

#### ***Halesowen Levelling Up Fund – Round 3 (£20m award)***

- (1) A new college development at Pool Road, Halesowen with circa 3188sqm of new teaching space on the site of the current Pool Road car park that will provide additional capacity for high-level skills training and apprenticeships in key growth sectors, including digital, health and business, as well as creating new public-facing restaurant and beauty salons, diversifying the town centre offer and providing practical training for students.
- (2) New transport and active travel measures including: the creation of new segregated cycle lanes, implementation of 20mph zones with traffic calming measures and new wayfinding infrastructure to improve pedestrian access to Halesowen Town Centre. Discussions have subsequently been held with officers from Ministry Housing Communities

City Regional Sustainable Transport Settlement (CRSTS) (Regeneration & Corporate Landlord Services and Highways/Transport)

***Stourbridge Town Centre Sustainable Connectivity Package*** – A £3m allocation has been ringfenced to support active travel infrastructure improvements in Stourbridge Town Centre. The funding is to be drawn down by March 2027.

***Dudley Town Centre Interchange Sustainable Connectivity Package*** – A £4.5m allocation from CRSTS has been ringfenced to support active travel infrastructure improvements in Dudley Town Centre, with the area of focus being Trindle Road.

### ***UK Shared Prosperity funding (UKSPF) (Regeneration & Corporate Landlord Services)***

A capital allocation of £2,033,553 to support the delivery of a range of projects over the life of the Dudley UKSPF programme April 2022 to March 2025.

- ***Crowdfund Dudley project.***
- ***Five park improvement projects at***
  - Highfield Road, Halesowen
  - Kent Road, Wollaston
  - High Arcal Play Area, Gornal
  - Pensnett Coppice, Pensnett
  - Lawyers Field, Brierley Hill
- ***Dudley Market Improvement project*** – funding for the reconfiguration of Dudley Marketplace to enhance its offer and make it a more flexible, welcoming space that can be adapted to host events, food and popups.
- ***CCTV at Stourbridge underpass*** - funding for the installation of on the northern gateway at lower high street has also been provided to improve safety and support the preliminary works as part of the pocket park and Active Travel work in the area.
- ***SME Grants / Decarbonisation & Net Zero grants*** – providing grants to Dudley businesses (50% match funding) to support a range of business growth projects or projects that support the implementation of improved energy/resource efficiency buildings and equipment.

### Environmental Services

Current priorities are:

- possible alternative sites for the Household Waste Recycling Centre.
- ongoing programme for replacement of vehicles used to deliver services including exploring wider use of electric vehicles.
- delivery of the Green Spaces Asset Management Plan.
- promote and develop our open spaces and nature reserves through Geopark status and accreditation.
- develop a new sustainable Waste Strategy that is compliant with the emerging national picture.

### Cultural

Current priorities are:

- New burial sites to be identified across the Borough.
- A new children's play area and on-site café facility at Himley.
- Refurbishment of the Red House Glass Cone.

### Schools and SEND

There is a budget provision of around £57.8m for investment in schools over the next 4 years. This includes the building of a new school at Pens Meadow Special School £17.0m, and £4.0m to increase and improve SEND bases from Reception to Secondary, with £3.8m for Pathway Learning Centres.

### Social Care, Health and Well Being

Working in partnership to support residents to continue to live independently. Investment in the infrastructure to enable telecare to convert from an analogue to digital system.

### Commercial and Customer Services

Ongoing programme for replacement and upgrading of ICT infrastructure used to deliver services.

## Resources - ICT

### Digital & Customer Services

Corporate contact centre including council tax, benefits, switchboard, environmental, housing, and public health services. Other activities include managing the Councillor Contact and complaints process, Local Government Ombudsman casework, Tell Us Once, and Blue Badge. Customers use many channels to contact us: telephone, online self-service, email, social media, and in-person.

### Technology Services

This service manages the deployment, development, monitoring, maintenance, upgrading and supporting of organisational IT systems, keeps the council safe through a cyber security programme, and supports staff and members by advising and managing all incidents, problems, and change/service requests.

Our ICT teams are ensuring that cyber security remains a key priority, so we protect the data we hold. This includes moving all ICT architecture, where applicable, to the Cloud, to enhance the Council's security posture and compliance with industry certifications. We are committed to meeting the standards set by the Public Services Network (PSN), PCI DSS, and Cyber Essentials Plus (CE+). Whilst these are technical background projects, they are critical to our overall success in maximising the use of technology as safely as possible. Our goal is to achieve and maintain certifications while striving to be among the top 10 councils for CE+. This proactive approach will strengthen our resilience against cyber threats and bolster stakeholder trust.

We are focussing on consolidating data centres through virtualisation and application rationalisation, aiming for a 95% virtual estate by March 2026 as part of our 3-year cloud strategy. We plan to leverage our current investment with strategic partners to serve as the foundation for our business intelligence and increased use of data to drive evidence-based decisions.

We are migrating all remaining major systems to the Cloud, after successful transition of our Housing and Revenues and Benefits systems to the Cloud. After successful migration to the Cloud, housing is now driving forward transformation through the introduction of a number of new modules which will provide greater governance and assurance around compliance activity, support more effective service delivery, enable increased automation and self-service, and improve management information to inform continuous improvement and data-led decision making. In 2025, we will migrate our Document Management System and Unit 4 Financial System to the cloud, with further transformation planned afterward which includes plans to migrate critical systems, including HR, payroll, and social care.

## Risks

The Audit and Standards Committee approved a new corporate risk management framework in April 2021. Workshops with Risk Owners have taken place to raise the level of understanding of formal risk management and to embed an effective risk management framework. A number of Corporate Risks have been identified which are generally acknowledged as being the most significant facing the Council. Corporate Management Team and the Audit and Standards Committee receive reports on Corporate Risks at least 3 times per annum and in addition, all Directors review risks on a quarterly basis. Audit and Standards Committee also approves the Risk Management Strategy. Current Corporate Risks are as follows:

- Failure to comply with HR related legislative requirements.
- The inability to recruit and retain staff particularly in professional areas where there is a national shortage of skills and expertise.
- Failure to adhere to the Equality Act 2010 and Public Sector Equality Duty.
- Lack of oversight of programmes and projects across the Council, with no assurance and monitoring or progress against time, cost and quality.
- Potential for DMBC to fail to deliver the Fit for the Future Programme and benefits.
- Failure to identify and protect adults in positions of vulnerability from harm and serious abuse as required by the Care Act 2014.
- Non-compliance with the CQC inspection assessment framework.
- Failure to identify and protect children in positions of vulnerability as required under legislation.
- A major external information security breach takes place resulting in the loss/disclosure of a substantial amount of personal information or a ransomware attack.

- 
- Failure to demonstrate compliance with Contract Standing Orders/Procurement legislation.
  - Contracts are not managed effectively.
  - Failure to meet the targets for carbon reduction in all aspects of the Council's operation is seen not to be in accordance with the Council's commitment to the environment.
  - The Council is unable to meet its commitments to deliver services (including those funded from ringfenced funds) because annual income is insufficient and reserves have been fully depleted, triggering a requirement to issue a Section 114 notice.
  - Do not deliver the appropriate and timely support to our residents in cases where they are experiencing increased hardship.
  - Major fraud against the Council.
  - Death, injury or ill health of Council staff, Members, service users and visitors when attending Council premise and/or Council staff undertaking their normal role.
  - Failure to comply with the requirements of the UK General Data Protection Regulation tailored by the Data Protection Act 2018 and associated legislation.
  - Breach of the Homes Standard regarding building safety and compliance.
  - The Council does not respond effectively and recover quickly from major incidents.
  - Failure to seize the opportunities and exploit the benefits that are envisaged from the huge regeneration programme investment that impacts on the council's vision for 2030.

### **Income and Expenditure 2024/25**

The accounts distinguish between revenue and capital expenditure. Revenue spending is generally on items which are used within a year. Capital spending is expenditure on the acquisition of new assets, or which adds value to existing assets, or which extends the life of the asset beyond one year and where it is appropriate to spread the costs across the tax and rent payers who will be receiving benefits over more than one year. Revenue expenditure therefore includes costs such as those of repayment of borrowing arising from capital expenditure in previous years.

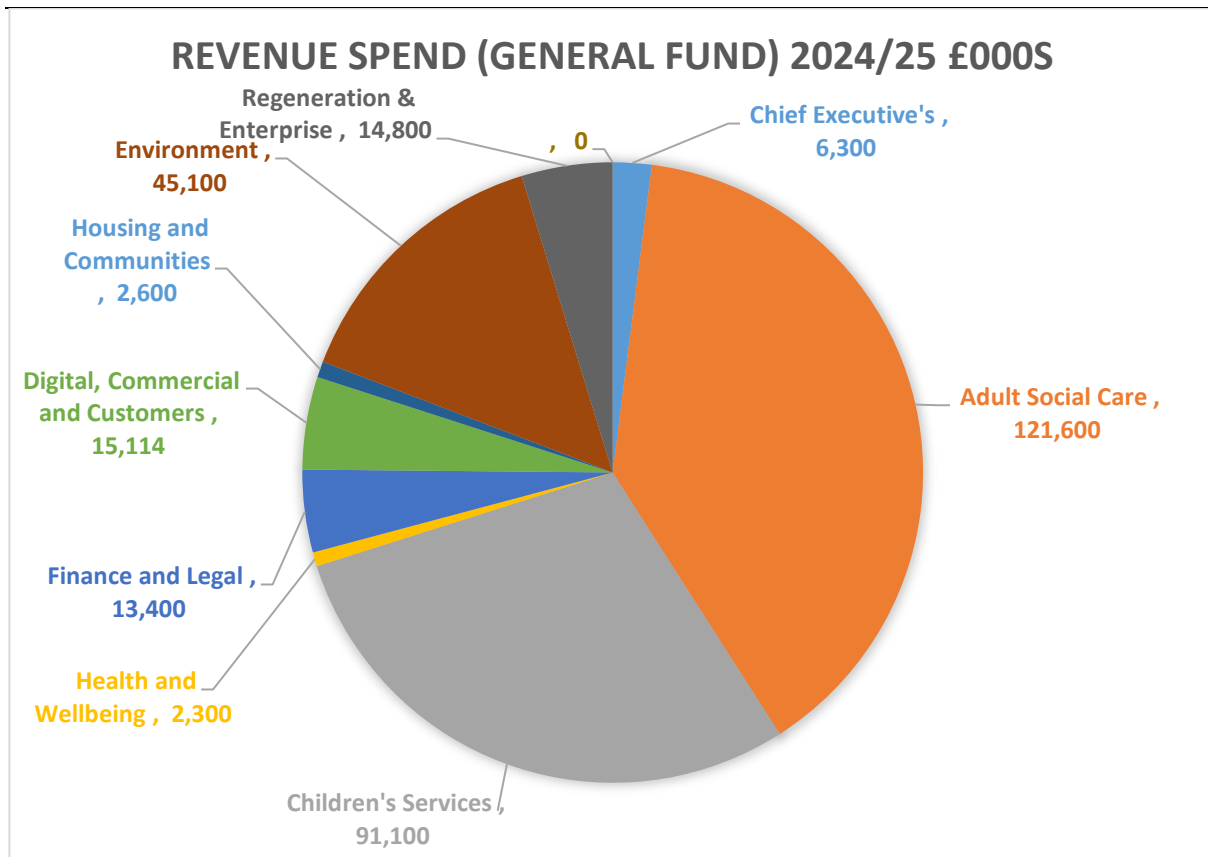
For a number of years since 2020/21, local government has received one-year settlements from central government, and the Government has indicated that it will review the system of local government finance allocations to individual councils, taking as a starting point the previous work on Business Rate Retention and the Fair Funding Review.

### **Revenue Spend in 2024/25**

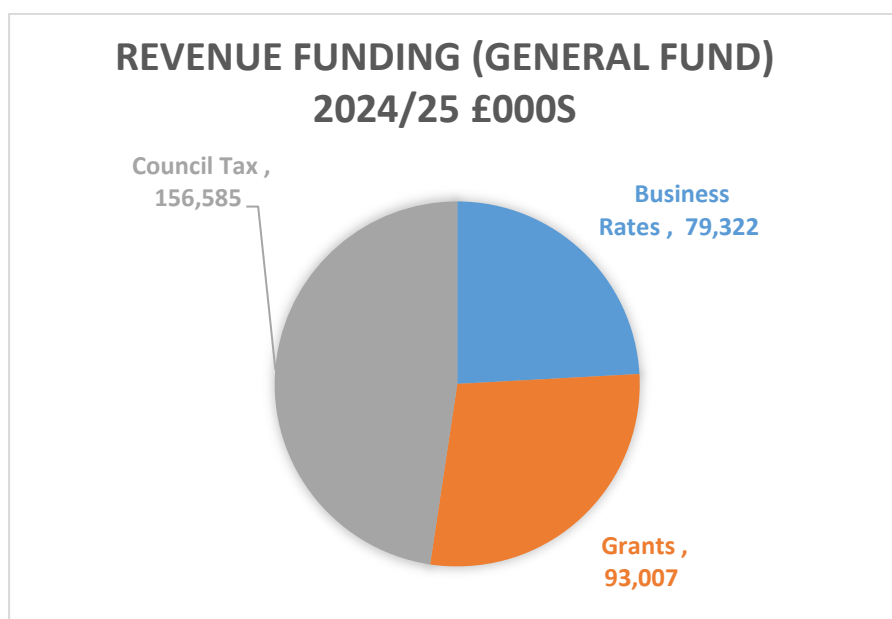
#### **General Fund**

The split of the Council's net General Fund service expenditure and corporate funding is as follows.

**Spend – total £312.9m**



---

**Funding – total £328.9m**


Spend compared with budget for each service and corporate funding is as follows.

	<b>Budget</b>	<b>Net Outturn</b>	<b>Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Chief Executive's	6.8	6.3	(0.5)
Adult Social Care	121.3	121.6	0.3
Children's Services	87.3	91.1	3.8
Health and Wellbeing	2.8	2.3	(0.5)
Finance and Legal Services	15.1	13.4	(1.7)
Digital, Commercial and Customer Services	17.3	15.1	(2.2)
Housing and Communities	3.0	2.6	(0.4)
Environment	47.3	45.1	(2.2)
Regeneration and Enterprise	17.0	14.8	(2.2)
Corporate and Treasury	13.3	0.0	(13.3)
<b>Total Service Costs</b>	<b>331.2</b>	<b>312.3</b>	<b>(18.9)</b>
Business Rates	(80.3)	(79.3)	1.0
Grants	(90.0)	(93.0)	(3.0)
Council Tax	(156.6)	(156.6)	0.0
<b>Total Funding</b>	<b>(326.9)</b>	<b>(328.9)</b>	<b>(2.0)</b>
<b>Net = Use of / (Contribution to) Reserves / Balances</b>	<b>4.3</b>	<b>(16.6)</b>	<b>(20.9)</b>

Main reasons for variances included:

- Rigorous checks on expenditure through spending and recruitment controls.
- Savings on staff vacancies, partly offset by pay award higher than originally budgeted.
- Savings on contract efficiencies.
- Increased number of adult and child social care clients and rising cost of care.
- Increased home to school transport costs.

### HRA

HRA net in-year surplus of £5.0m (before transfers to earmarked reserves) compared with budgeted net in-year surplus of £3.6m. Main reasons for the variance include:

- Vacancy savings
- Reprofiling of asset spend linked to deferral of service charge introduction.
- Savings on subcontractor costs
- Savings on overheads

Favourable variances are partly offset by pressures including:

- Lower income owing to the deferral of service charge introduction.
- Higher contribution to Major Repairs Reserve to fund future investment in properties.

### What we spent the money on

In addition to managing and maintaining the Council’s assets such as Schools, Highways, and Council Housing, as set out above, key outputs and outcomes included:



Benchmarked data for key performance indicators shows good performance compared to national and local comparator authorities:

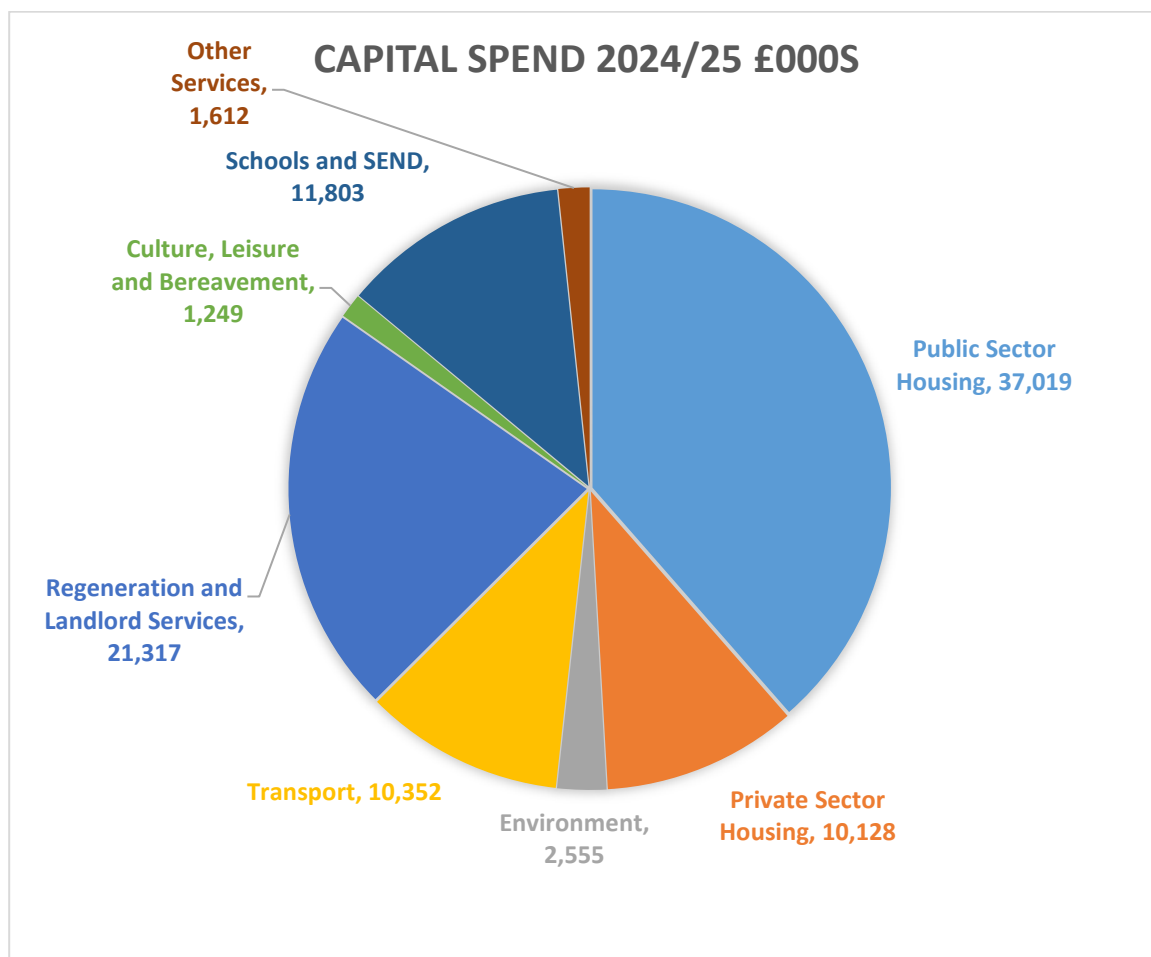
	2024-25	2023-24 (mean data)		
	Dudley As 31 March 2025	English metropolitan boroughs	CIPFA nearest neighbours	West Midlands Combined Authority
PI.2686 % Council Tax income collected	96.3%	93.91%	94.71%	94.12%
PI.2687 % Business Rates income collected	96.5%	95.35%	95.15%	93.31%
PI.2159 % of potential rent receipts lost from vacant dwellings (LG Inform measure is in £'s only)	1.95% £2,084,113	£ 1,607,492	£ 1,315,049	£ 2,019,124
PI.2692 Number of children looked after per 10 thousand of the population	83.09	94	91	90
PI.2682 % of homes that do not meet the decent home standards	4.72%	4.4%	2.6%	10.6%
PI.2701 % of S42 individuals with outcomes expressed, fully or partially achieving their outcomes.	92.6% (January data, reported 2 months in arrears)	94.9%	95.2%	93.0%

Figures for the comparison groups are the mean (average) of all councils in that category

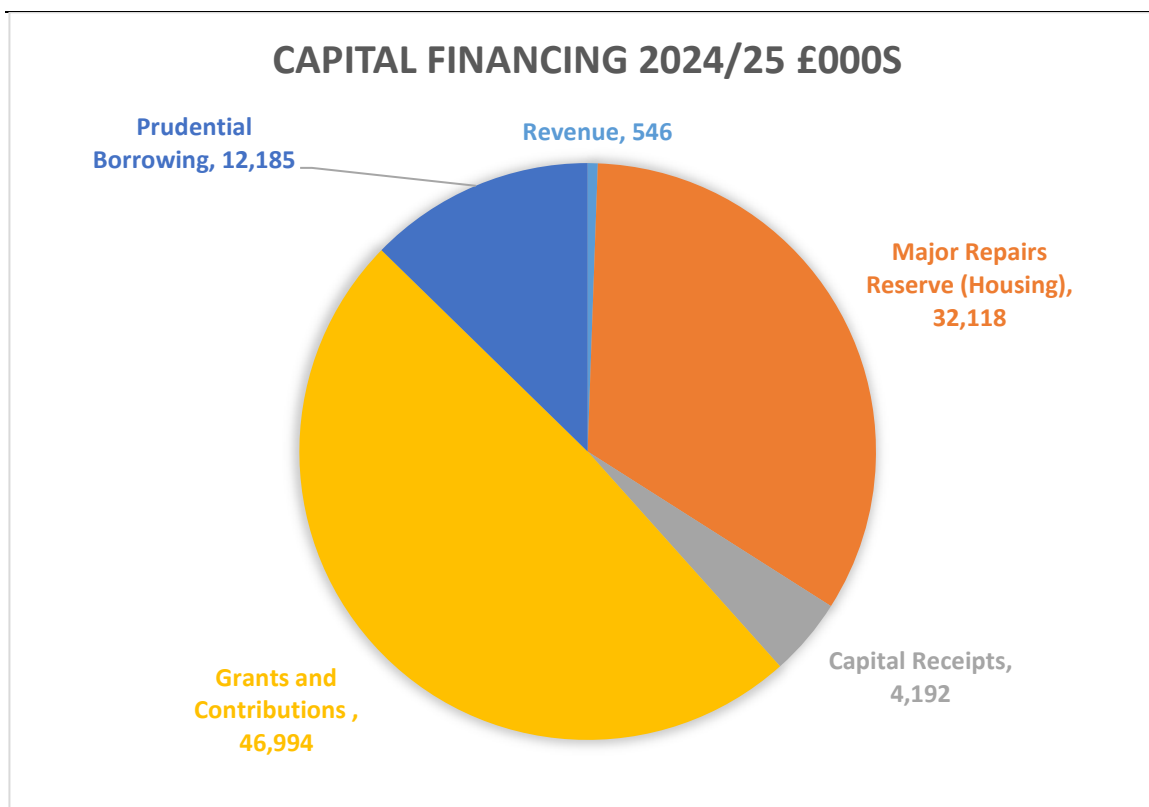
### Capital Spend in 2024/25

The breakdown of the Council's total capital expenditure of £96m in 2024/25 is shown below.

#### Spend £96m



#### Financing £96m



Capital projects completed, or substantially completed, in 2024/25 included the following schemes.

- Public Sector Housing:
  - Ensuring regulatory compliance and building safety.
  - Ensuring adequate investment in void properties to reduce void loss and meet an acceptable void standard.
- Private Sector Housing:
  - Housing Assistance Grants for emergency safety improvements.
  - Disabled Facilities Grants schemes.
- School projects:
  - The focus is on ensuring sufficient secondary school places, with projected places in both primary and secondary phases being closely monitored.
  - Capital funding for SEND including additional bases is being allocated.
  - New Pens Meadow special school.
- Environment:
  - Energy from Waste fire suppression works and cyclical works.
  - Vehicle and Plant replacement
  - Parks Development
- Transport:
  - Highways structural maintenance programme.
  - Pothole action fund.
  - Street lighting improvement programme.
  - Network management and urban traffic control.
  - Pedestrian measures and public rights of way.
  - Local safety schemes.
  - Cycle routes.
- Regeneration and Corporate Landlord:

- Towns Fund – Castle Hill development
- Dudley Interchange development.
- Council House refurbishment.
- Purchase of Cable Plaza.
- Culture, Leisure and Bereavement:
  - Himley Play Area
  - Burial Spaces.
  - Structural refurbishment of the Red House Cone.

**Performance**

Performance reporting during 2023/24 has focused on the Improvement and Sustainability Programme and the one-year focused Council Plan, following the suspension of the 2022-2025 Council Plan 2022-25 (15 February 2024 Cabinet and 26 February 2024 Council). All projects and priorities were re-considered and only those that met criteria within the spending controls or support the delivery of the Council’s Improvement and Sustainability Programme were put forward in the 2024-25 Council Plan.

The plan outlines five key priority areas:

- Financial sustainability, efficiency, and providing best value.
- Governance and control
- Leadership and culture
- Delivering for our customers, residents, and communities
- Supporting businesses and the local economy

Key highlights of activities and achievements during the year include:

**Priorities and outcomes section** **Dudley Council Plan 2024-2025**

**Financial sustainability, efficiency and providing best value**

- Adherence to our financial management through tighter spend controls, delivering agreed savings, and compliance to procurement and contract management guidelines
- Develop new ways of working, reshaping our services and operating models
- Review all council assets to identify opportunities for efficiency and optimisation.

**Adherence to financial management**

- Enhanced recruitment and contract spending controls achieved savings of over £5 million.
- Ceasing of the two hours free parking to generate an estimated £3.5m in revenue over the next 3 years.
- Ceasing loss-making services such as Brookes Bistro, school catering and commercial waste service.
- 2025-26 budget scrutinised and approved, including £42m of savings.

**Review council assets identifying opportunities**

- Accelerating the disposal programme, closure of Ward House, Priory Hall (1st Floor) and 4 Ednam Road and disposal of Wellington Road, sold for £1.7m
- MyTech self-service portal implemented.
- Council Tax Reduction Scheme public consultation.

**New ways of working, reshaping services and operating models**

- Developed new operating model for a modern effective Council and begun implementation of the senior management restructure.
- Development and agreement of a whole organisation improvement plan. The plan is based on the government’s Best Value Framework and aims to create an improved, lean and financially stable council delivering essential high-quality services.
- Switch DC+ in person contact to online, telephony, libraries, housing hubs and children’s hubs allowing potential disposal of building. This transformation work has focussed on supporting digitally excluded individuals and those with complex needs closer to their home.
- Using Crowdfunding scheme for community improvement initiatives, making UKSPF and Dudley Neighbourhood CIL funds available for initiatives.

**Priorities and outcomes section**

**Dudley Council Plan 2024-2025**

**Governance and control**

- Build and strengthen effective governance and control by defining a clear and transparent governance and decision-making structure
- Meet our obligations regarding regulatory compliance and assurance through focussed reporting with clear accountability.
- Monitor and report on organisational risk, performance and project management by acting on timely and accurate reports.

**Building and strengthening governance and control**

- Democratic Services review (creating capacity to enhance operations/governance).
- Workshops, designed and facilitated by internal teams and the Local Government Association delivered to strengthen the relationships between members and officers, setting the standards for open and transparent decision-making.

**Meet regulatory compliance obligations**

- Improved Equality impact assessments process launched. EIAs are a toolkit, and one of the ways in which we demonstrate how we meet our Public Sector Equality Duty under the Equality Act 2010.
- Updates to information governance reporting (now utilising secure MS Forms).
- New business continuity planning process, guides and SharePoint site launched by Emergency Planning Team aiding clear communication on requirements to managers.

**Improved monitoring and reporting**

- Better scrutiny of budget performance and operational performance reporting (monthly reviews / corporate dashboard).
- Overview & Scrutiny Committee scrutinised 2025-26 budget over three meetings, with good officer and councillor representation at each meeting to support the process.
- Introduction of new Governance Support Framework to make it easier for employees to report governance concerns and ensures these concerns are handled quickly and effectively.

**Priorities and outcomes section**

**Dudley Council Plan 2024-2025**

**Leadership and culture**

- Define core values for the organisation that will achieve a unified, one council culture fit for the future.
- Encourage our employees to actively participate in continuous improvement and sustainability
- Strengthen our learning development programme by providing opportunities for employees to enhance their skills and knowledge.

**Define our core values and culture**

- Broad engagement has been completed with multiple employee groups at different levels in the organisation to identify core values.
- Insight Survey on Member Perceptions to inform culture change plan supported by the LGA.
- Launch of new Coaching Framework, designed to help employees grow both personally and professionally.

**Strengthen our staff learning and development**

- Thrive Learning Platform provides a platform for technology-enabled learning:
  - More flexible delivery of learning / training to employees and members
  - Consolidating different learning systems within the council
  - Offering an additional communication channel.
- Promotion of apprenticeships available, particularly Level 3-7 leadership and management apprenticeships including video case studies from recent apprentices.

**Encourage employees to participate in continuous improvement and sustainability**

- Workforce engaged with through Employee Pulse Surveys and regular Express Briefings.
- Regular engagement sessions held with senior change leaders to provide change leadership across the organisation.
- Employee Wellbeing Strategy consultation.
- Continue to promote and support the Bright Ideas staff suggestion scheme

**Priorities and outcomes section**

**Dudley Council Plan 2024-2025**

**Delivering for our customers, residents and communities**

- Enhance our customer experience by promoting digital self-service options whilst recognising individual needs and improving engagement
- Empower individuals of all ages to make choices and exercise independence in their lives and provide care and support when necessary
- While delivering services within communities, provide safe clean spaces, promote healthy lifestyles, support wellbeing and reduce inequality.

**Enhancing our customer experience**

- 61% of our resident's now self-serve where online self-service is available via MyDudley
- Ethel Care System: Technology for home reablement explored, pilot launched, minimizing the need for in-person staff visits.
- Customer feedback group: Internal group share directorate learning on improving response times for our residents.
- Continued programme of community meetings through the 'your home, your forum' branding.
- Council Tax annual e-billing option for residents, reducing postal costs.

**Empower people to make independent choices**

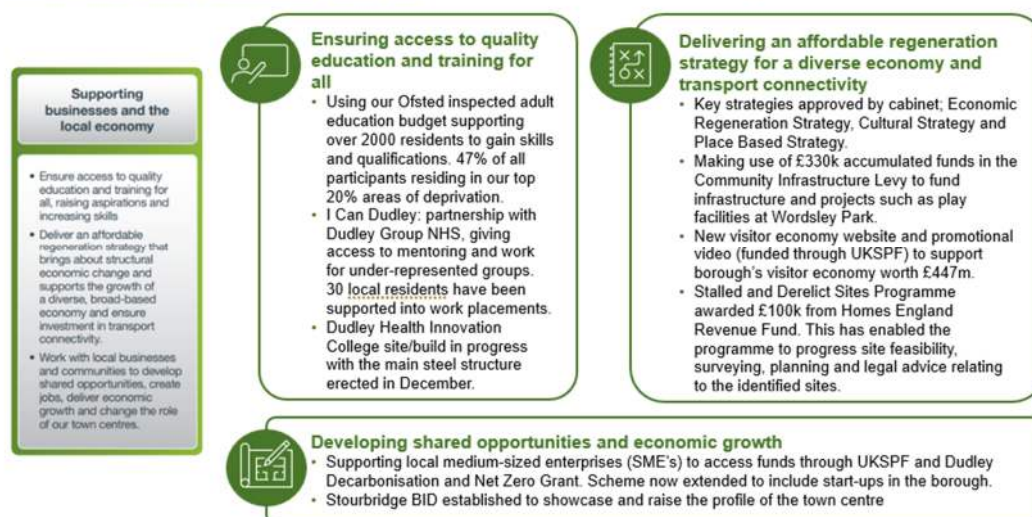
- Supporting people with disabilities through transition from childhood to adulthood with a Transition Board approved in September.
- Dudley Family Voices workshops for families discover support available through family hubs.
- Pens Meadow School build: metal structure has been erected alongside other progress on site such as a multi-use game area and astro turf football pitch.

**Safe, clean spaces supporting healthy lifestyles and reducing inequality**

- Healthy Dudley website and Safe and Sound website refreshed and relaunched.
- Improving our green spaces and play areas utilising a variety of funding sources.
- Community BEES (Brockmoor Energy & Environment Scheme) project funded by WMCA: retrofitting homes with energy efficient technology and making green spaces, public buildings and transport links more sustainable.
- Engaging people in our climate action plan including plans to establish a climate youth voice group and a Dudley Climate Partnership

## Priorities and outcomes section

## Dudley Council Plan 2024-2025



## Statement of Accounts 2024/25

The Statement of Accounts sets out the Council's income and expenditure for the year, and its financial position at 31 March 2025. It comprises core and supplementary statements, together with disclosure notes. The format and content of the financial statements are prescribed by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, which in turn is underpinned by International Financial Reporting Standards.

### Core statements

- The Comprehensive Income and Expenditure Statement – this details the cost of providing services. The top half of the statement provides an analysis by service area. The bottom half of the statement deals with corporate transactions and funding.
- The Movement in Reserves Statement is a summary of the changes to the Council's reserves over the course of the year. Reserves are divided into "usable", which can be invested in capital projects or service improvements, and "unusable" which must be set aside for specific legal or accounting purposes.
- The Balance Sheet is a summary of the Council's assets, liabilities, cash balances and reserves specifically at the year-end date.
- The **Cash Flow Statement** shows the reason for changes in the Council's cash balances during the year, and whether that change is due to operating activities, new investment, or financing activities (such as repayment of borrowing and other long-term liabilities).

### Supplementary Statements

- **Housing Revenue Account (HRA)** shows the in-year economic cost of the social housing landlord function as defined under the Local Government Act 1989
- **The Collection Fund**, which summarises the collection and redistribution of council tax and business rates income.
- **The Pension Fund Account**, which reports the contributions received, payments to pensioners and the value of net assets invested in the Local Government Pension Scheme.
- The Notes to these financial statements provide further detail about the Council's accounting policies and individual transactions.
- A Glossary of key terms can be found at the end of this publication.

The Annual Governance Statement accompanies the published Statement of Accounts but is not part of it.

International Financial Reporting Standard 16 (IFRS 16) which replaced IAS 17 is effective for reporting periods commencing 1 April 2024 and has been used in this statement of accounts. IFRS 16 has introduced

---

a single lessee accounting model, and the council now recognises right to use assets for all leases with a term in excess of 12 months unless the underlying asset is of low value.

## MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the authority, analysed into 'usable reserves' (i.e., those that can be applied to fund expenditure or reduce local taxation) and other, known as unusable, reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. This true cost is different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for council tax setting and dwellings rent setting purposes. The Net Increase/Decrease before Transfers to Earmarked Reserves line shows the change in the year to the statutory General Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the council.

2024/25	Unearmarked General Fund Balance	Business Rates s31 and Tax Income Guarantee Grant Reserves	Other Earmarked Reserves	Total General Fund Reserves	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 31/3/24</b>	<b>11,925</b>	<b>5,696</b>	<b>27,559</b>	<b>44,116</b>	<b>11,080</b>	<b>20,030</b>	<b>0</b>	<b>4,798</b>	<b>80,024</b>	<b>1,177,273</b>	<b>1,257,297</b>
Total Comprehensive Income and Expenditure	(6,242)	0	0	(6,242)	24,982	0	0	0	18,740	3,241	21,981
Adjustments between accounting basis and funding basis under regulations (Note 1)	16,941	0	0	16,941	(20,085)	24,779	1,890	33,326	56,851	(56,851)	0
<b>Net increase or (decrease) before transfers to/from earmarked reserves</b>	<b>10,699</b>	<b>0</b>	<b>0</b>	<b>10,699</b>	<b>4,897</b>	<b>24,779</b>	<b>1,890</b>	<b>33,326</b>	<b>75,591</b>	<b>(53,610)</b>	<b>21,981</b>
Transfers to/from earmarked reserves (Note 16)	5,850	(5,696)	(154)	5,696	0	0	0	0	0	0	0
<b>Increase or (decrease) in year</b>	<b>16,549</b>	<b>(5,696)</b>	<b>(154)</b>	<b>16,395</b>	<b>4,897</b>	<b>24,779</b>	<b>1,890</b>	<b>33,326</b>	<b>75,591</b>	<b>(53,610)</b>	<b>21,981</b>
<b>Balance at 31/3/25</b>	<b>28,474</b>	<b>0</b>	<b>27,405</b>	<b>60,511</b>	<b>15,977</b>	<b>44,809</b>	<b>1,890</b>	<b>38,124</b>	<b>155,615</b>	<b>1,123,663</b>	<b>1,279,278</b>

2023/24	Unearmarked General Fund Balance	Business Rates s31 and Tax Income Guarantee Grant Reserves	Other Earmarked Reserves	Total General Fund Reserves	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 31/3/23</b>	<b>21,749</b>	<b>5,696</b>	<b>35,106</b>	<b>62,551</b>	<b>7,709</b>	<b>16,551</b>	<b>0</b>	<b>6,325</b>	<b>93,136</b>	<b>1,127,727</b>	<b>1,220,863</b>
Total Comprehensive Income and Expenditure	(26,787)	0	0	(26,787)	8,624	0	0	0	(18,163)	54,597	36,434
Adjustments between accounting basis and funding basis under regulations (Note 1)	8,577	0	0	8,577	(5,478)	3,479	0	(1,527)	5,051	(5,051)	0
<b>Net increase or (decrease) before transfers to/from earmarked reserves</b>	<b>(18,210)</b>	<b>0</b>	<b>0</b>	<b>(18,210)</b>	<b>3,146</b>	<b>3,479</b>	<b>0</b>	<b>(1,527)</b>	<b>(13,112)</b>	<b>49,546</b>	<b>36,434</b>
Transfers to/from earmarked reserves (Note 16)	7,322	0	(7,547)	(225)	225	0	0	0	0	0	0
<b>Increase or (decrease) in year</b>	<b>(10,888)</b>	<b>0</b>	<b>(7,547)</b>	<b>(18,435)</b>	<b>3,371</b>	<b>3,479</b>	<b>0</b>	<b>(1,527)</b>	<b>(13,112)</b>	<b>49,546</b>	<b>36,434</b>
<b>Balance at 31/3/24</b>	<b>11,925</b>	<b>5,696</b>	<b>27,559</b>	<b>44,116</b>	<b>11,080</b>	<b>20,030</b>	<b>0</b>	<b>4,798</b>	<b>80,024</b>	<b>1,177,273</b>	<b>1,257,297</b>

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT for the year ended 31 March 2025

This is a summary of the funds raised and used by the council in the year. It shows the net cost for the year of the functions for which the council is responsible and demonstrates how that cost has been financed from general Government grants and income from local taxpayers. The CIES follows International Financial Reporting Standards and reconciles to the change in the year of the net worth as shown in the balance sheet.

The 2023/24 figures have been restated due to changes in the Council's structure in 2024/25. The figures shown for 2023/24 are as if the restructure was in place throughout 2023/24. The largest change is the transfer of Telecare and Enabling Community Support functions from the Housing Revenue Account to Adult Social Care (£1.4m).

	2024/25	2024/25	2024/25	2023/24	2023/24	2023/24
	Expenditure	Income	Net	Expenditure	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive's	2,244	(2,431)	(187)	1,749	(2,034)	(285)
Adult Social Care	199,564	(124,270)	75,294	187,828	(108,761)	79,067
Dedicated Schools Grant	222,630	(213,301)	9,329	211,125	(203,102)	8,023
Children's Services	118,738	(15,752)	102,986	110,927	(16,392)	94,535
Public Health Grant	24,661	(24,908)	(247)	24,659	(23,396)	1,263
Health and Wellbeing	8,767	(5,254)	3,514	8,903	(5,202)	3,296
Finance and Legal Services	58,220	(51,432)	6,788	59,084	(52,199)	6,885
Digital, Commercial & Customer Services	6,125	(2,891)	3,234	6,125	(2,463)	3,734
Housing Revenue Account (HRA)	79,519	(107,160)	(27,641)	79,097	(99,985)	(20,888)
HRA - revaluation (gain) / loss on housing stock	0	0	0	0	0	0
Housing and Community	15,505	(12,159)	3,346	12,626	(8,499)	4,532
Environment	66,555	(15,515)	51,041	70,667	(12,088)	58,579
Regeneration & Enterprise	35,529	(21,141)	14,388	41,884	(24,610)	17,202
Corporate & Treasury	572	(1,916)	(1,343)	(3,145)	(1,062)	(4,207)
<b>Net Expenditure of Continuing Operations</b>	<b>838,631</b>	<b>(598,128)</b>	<b>240,503</b>	<b>811,528</b>	<b>(559,794)</b>	<b>251,736</b>
Other Operating Expenditure (Note 2)			22,074			38,859
Financing and Investment Income & Expenditure (Note 3)			21,729			25,775
Taxation and Non-specific Grant Income (Note 4)			(303,046)			(298,207)
<b>(Surplus) or Deficit on Provision of Services</b>			<b>(18,740)</b>			<b>18,163</b>
(Surplus) / deficit on revaluation of non-current assets			(8,331)			(54,461)
(Surplus) / deficit on revaluation of equity instruments (airport shares)			5,090			(3,040)
Remeasurement of net pension liabilities - Note 28			0			2,904
<b>Other Comprehensive Income &amp; Expenditure</b>			<b>(3,241)</b>			<b>(54,597)</b>
<b>Total Comprehensive Income &amp; Expenditure</b>			<b>(21,981)</b>			<b>(36,434)</b>

**BALANCE SHEET**

This sets out the authority's year-end financial position. It shows the balances and reserves at the authority's disposal and its long-term indebtedness, the long-term and net current assets employed in its operations, and summarised information on the property, plant and equipment and other long-term assets held. It includes the Collection Fund but excludes Trust Funds.

	<b>31 March 2025 £'000</b>	<b>31 March 2024 £'000</b>
Property, Plant and Equipment (Note 17)	1,894,872	1,894,950
Intangible Assets (Note 17)	524	665
Heritage Assets (Note 18)	24,365	24,365
Long Term Investments - Non property investments (Note 19)	30,252	35,342
Long Term Debtors (Note 20)	11,994	35,486
<b>Long Term Assets</b>	<b>1,962,007</b>	<b>1,990,808</b>
Short Term Investments (Note 19)	20	5,819
Inventories	633	810
Short Term Debtors (Note 20)	126,351	73,593
Cash and cash equivalents, etc. (Note 22)	5,897	8,687
Assets held for sale (Note 23)	15,641	15,641
<b>Current Assets</b>	<b>148,542</b>	<b>104,550</b>
Cash and cash equivalents, etc. (Note 22)	0	(6,432)
Short Term Borrowing (Note 19)	(48,849)	(46,579)
Short Term Creditors (Note 24)	(126,168)	(80,574)
Short Term Deferred Liabilities (Note 19)	(1,098)	(898)
Provision (< 1 year) (Note 25)	(5,609)	(6,681)
Revenue Grants Received in Advance (Note 14)	(612)	(555)
<b>Current Liabilities</b>	<b>(182,336)</b>	<b>(141,719)</b>
Long Term Deferred Liabilities (Note 19)	(9,114)	(10,212)
Provisions (> 1 year) (Note 25)	(2,541)	(2,760)
Long Term Borrowing (Note 19)	(617,278)	(661,910)
Net Pension Liabilities (Note 28)	(20,531)	(20,532)
Capital Grants Received in Advance (Note 14)	(649)	(925)
<b>Long Term Liabilities</b>	<b>(650,114)</b>	<b>(696,339)</b>
<b>Net Assets</b>	<b>1,278,100</b>	<b>1,257,300</b>
Total Usable Reserves (Note 16)	155,617	81,090
Total Unusable Reserves (Note 26)	1,122,483	1,176,210
<b>Total Reserves</b>	<b>1,278,100</b>	<b>1,257,300</b>

## CASH FLOW STATEMENT

This summarises the inflows and outflows of cash arising from transactions with third parties for capital and revenue purposes:

	<b>2024/25</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
Net (Surplus) or Deficit on the Provision of Services	(18,740)	18,163
Adjustments to net Surplus or Deficit on the Provision of Services for non-cash movements (note 29)	(103,254)	(114,415)
Adjustments for Items Included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities (note 29)	66,835	46,642
<b>Net Cash Flows from Operating Activities</b>	<b>(55,159)</b>	<b>(49,610)</b>
Investing Activities - (Note 30)	17,051	41,486
Financing Activities - (Note 31)	37,798	2,819
<b>Net (Increase) or Decrease in Cash and Cash Equivalents</b>	<b>(310)</b>	<b>(5,305)</b>
Cash and Cash Equivalents at the Beginning of the Reporting Period	2,254	(3,051)
<b>Cash and Cash Equivalents at the End of the Reporting Period (Note 22)</b>	<b>2,564</b>	<b>2,254</b>

---

**NOTES TO THE CORE STATEMENTS**


---

Page No.

MIRS Notes

1.	<a href="#">Adjustments between Accounting Basis and Funding Basis under Regulations</a>	43
----	--	----

CIES Notes

2.	<a href="#">Other Operating Expenditure</a>	47
3.	<a href="#">Financing and Investment Income and Expenditure</a>	47
4.	<a href="#">Taxation and Non-Specific Grant Income</a>	47
5.	<a href="#">Expenditure and Funding Analysis</a>	48
6.	<a href="#">Expenditure and Income analysed by Nature</a>	51
7.	<a href="#">Segmental Reporting</a>	52
8.	<a href="#">Combinations of Public Bodies</a>	52
9.	<a href="#">Members' Allowances</a>	53
10.	<a href="#">Officers' Remuneration</a>	54
11.	<a href="#">Pension Schemes Accounted for as Defined Contribution Schemes</a>	58
12.	<a href="#">External Audit Costs</a>	58
13.	<a href="#">Use of Dedicated Schools Grant</a>	59
14.	<a href="#">Grant Income</a>	61
15.	<a href="#">Related Parties</a>	62

Balance Sheet Notes

16.	<a href="#">Usable Reserves</a>	64
17.	<a href="#">Property, Plant and Equipment and Intangible Assets</a>	66
18.	<a href="#">Heritage Assets</a>	7
19.	<a href="#">Financial Instruments</a>	72
20.	<a href="#">Debtors</a>	79
21.	<a href="#">Debtors for Local Taxation</a>	80
22.	<a href="#">Cash and Cash Equivalents</a>	80
23.	<a href="#">Assets Held for Sale</a>	81

24.	<a href="#">Creditors</a> .....	81
25.	<a href="#">Provisions</a> .....	82
26.	<a href="#">Unusable Reserves</a> .....	83
27.	<a href="#">Capital Expenditure and Capital Financing</a> .....	89
28.	<a href="#">Defined Benefit Pension Schemes</a> .....	90
28a	Contingent Liabilities .....	97
<u>Cash Flow Statement Notes</u>		
29.	<a href="#">Cash Flow Statement - Operating Activities</a> .....	98
30.	<a href="#">Cash Flow Statement - Investing Activities</a> .....	99
31.	<a href="#">Cash Flow Statement - Financing Activities</a> .....	99
<u>Other Notes</u>		
32.	<a href="#">Accounting Policies</a> .....	101
33.	<a href="#">Accounting Standards that have been Issued but have not yet been Adopted</a> .....	114
34.	<a href="#">Critical Judgements in Applying Accounting Policies</a> .....	114
35.	<a href="#">Assumptions made about the future, &amp; other major sources of Estimation Uncertainty</a> ....	115
36.	<a href="#">Events after the Balance Sheet Date</a> .....	116
37.	<a href="#">Leases</a> .....	116
38.	<a href="#">PFI and Similar Contracts</a> .....	118
39.	<a href="#">Investments in Companies</a> .....	121
40.	<a href="#">Trust Funds</a> .....	123

**MiRS Notes****Note 1: Adjustments between Accounting Basis and Funding Basis under Regulations**

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue.

2024/25	Usable Reserves					Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Adjustments primarily involving the Capital Adjustment Account:</b>						
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement</b>						
Charges for depreciation and amortisation of non-current assets	28,198	28,719	0	0	0	(56,917)
Revaluation (gains) / losses on Property Plant and Equipment and heritage assets	(2,921)	(8)	0	0	0	2,929
Capital grants and contributions applied	(37,124)	(627)	0	0	0	37,751
Revenue expenditure funded from capital under statute	13,388		0	0	0	(13,388)
Amounts of non-current assets written off on disposal or sale as part of the gain or loss on disposal to the Comprehensive Income and Expenditure Statement	26,242	10,857	0	0	0	(37,099)
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement</b>						
Provision for the financing of capital investment	(15,420)		0	0	0	15,420
Capital expenditure charged against the General Fund and HRA Balances			0	0	0	0
<b>Adjustments primarily involving the Capital Grants Unapplied Account:</b>						
Transfer in respect of Community Infrastructure Levy (CIL) receipts	(288)	0	0	0	288	0
Transfer in respect of other capital grants not yet applied	313				(313)	0
Application of Grants for capital financing					33,351	(33,351)
<b>Adjustments primarily involving the Capital Receipts Reserve:</b>						
Transfer of cash sale proceeds credited as part of the gain or loss on disposal to the Comprehensive Income and Expenditure Statement	(3,894)	-	29,084	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure			(4,192)	0	0	4,192
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposals	50	173	(223)	0	0	0
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool			0	0	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash			109	0	0	(109)
Write down of Capital Debtors				0	0	0

2024/25 continued	Usable Reserves					Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£000's	£000's	£000's	£000's	£000's	£000's
<b>Adjustments primarily involving the Major Repairs Reserve</b>						
Transfer of Depreciation to Major Repairs Reserve		(34,008)		34,008		0
Use of the Major Repairs Reserve to finance new capital expenditure				(32,118)		32,118
<b>Adjustments primarily involving the Financial Instruments Adjustments Account:</b>						
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(550)					550
<b>Adjustments primarily involving the Pensions Reserve:</b>						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement						0
Employer's pensions contributions and direct payments to pensioners payable in the year						0
<b>Adjustments primarily involving the Collection Fund Adjustment Account:</b>						
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(2,414)					2,414
<b>Adjustments primarily involving the Accumulated Absences Account:</b>						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	1,993					(1,993)
<b>Adjustments primarily involving the Dedicated Schools Grant Account:</b>						
Schools Budget Deficit in Year	9,369					(9,369)
<b>Total Adjustments 2024/25 between accounting basis and funding basis under regulations</b>	<b>16,941</b>	<b>(20,085)</b>	<b>24,779</b>	<b>1,890</b>	<b>33,326</b>	<b>(56,851)</b>

2023/24	Usable Reserves					Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Adjustments primarily involving the Capital Adjustment Account:</b>						
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement</b>						
Charges for depreciation and amortisation of non-current assets	26,458	25,261	0	0	0	(51,719)
Revaluation losses on Property Plant and Equipment and heritage assets	(2,150)	(241)	0	0	0	2,391
Capital grants and contributions applied	(35,659)	(2,427)	0	0	0	38,086
Revenue expenditure funded from capital under statute	10,726		0	0	0	(10,726)
Amounts of non-current assets written off on disposal or sale as part of the gain or loss on disposal to the Comprehensive Income and Expenditure Statement	29,895	6,385	0	0	0	(36,280)
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement</b>						
Provision for the financing of capital investment	(14,955)		0	0	0	14,955
Capital expenditure charged against the General Fund and HRA Balances	(1,495)		0	0	0	1,495
<b>Adjustments primarily involving the Capital Grants Unapplied Account:</b>						
Transfer in respect of Community Infrastructure Levy (CIL) receipts	(288)	0	0	0	288	0
Transfer in respect of other capital grants not yet applied	(3,922)				3,922	0
Application of Grants for capital financing					(5,737)	5,737
<b>Adjustments primarily involving the Capital Receipts Reserve:</b>						
Transfer of cash sale proceeds credited as part of the gain or loss on disposal to the Comprehensive Income and Expenditure Statement	(2,492)	(8,924)	11,416	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure			(8,027)	0	0	8,027
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposals	24	127	(151)	0	0	0
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool			0	0	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash			103	0	0	(103)
Write down of Capital Debtors			138	0	0	(138)

2023/24 continued	Usable Reserves					Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£000's	£000's	£000's	£000's	£000's	£000's
<b>Adjustments primarily involving the Major Repairs Reserve</b>						
Transfer of Depreciation to Major Repairs Reserve		(25,250)		25,250		0
Use of the Major Repairs Reserve to finance new capital expenditure				(25,250)		25,250
<b>Adjustments primarily involving the Financial Instruments Adjustments Account:</b>						
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(583)					583
<b>Adjustments primarily involving the Pensions Reserve:</b>						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	28,482	4,829				(33,311)
Employer's pensions contributions and direct payments to pensioners payable in the year	(33,285)	(5,238)				38,523
<b>Adjustments primarily involving the Collection Fund Adjustment Account:</b>						
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	2,578					(2,578)
<b>Adjustments primarily involving the Accumulated Absences Account:</b>						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(1,392)					1,392
<b>Adjustments primarily involving the Dedicated Schools Grant Account:</b>						
Schools Budget Deficit in Year	6,635					(6,635)
<b>Total Adjustments 2023/24 between accounting basis and funding basis under regulations</b>	<b>8,577</b>	<b>(5,478)</b>	<b>3,479</b>	<b>0</b>	<b>(1,527)</b>	<b>(5,051)</b>

## CIES Notes

### Note 2: Other Operating Expenditure

	<b>2024/25</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
Levy – Environment Agency	116	114
West Midlands Integrated Transport Authority Levy	13,131	13,225
Pension Administration Expense	0	823
Gains (-) / Losses on the disposal of non-current assets	8,827	24,697
<b>Total</b>	<b>22,074</b>	<b>38,859</b>

### Note 3: Financing and Investment Income and Expenditure

	<b>2024/25</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
Interest payable on debt	26,190	24,969
Interest element of finance leases	480	497
Interest payable on PFI unitary payments	906	843
Pensions Net Interest Cost		(493)
Dividends receivable	(5,623)	(110)
Movements in Impairment Allowances	2,316	1889
Interest receivable and similar income	(2,540)	(1,820)
<b>Total</b>	<b>21,729</b>	<b>25,775</b>

### Note 4: Taxation and Non Specific Grant Income

	<b>2024/25</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
Council Tax income	153,804	147,311
Locally retained Non Domestic Rates (net of Tariff)	84,517	81,554
Non Ring Fenced Government Grants (further details in Note 14)	36,542	35,032
Capital grants and contributions (further details in Note 14)	28,183	34,310
<b>Total</b>	<b>303,046</b>	<b>298,207</b>

### **Note 5: Expenditure and Funding Analysis**

The Expenditure and Funding Analysis (EFA) shows how funding available to the authority (i.e. government grants, rents, council tax and business rates) for the year has been used to provide services in comparison with those resources consumed or earned by the authority in accordance with generally accepted accounting practices. The EFA also shows how this expenditure is allocated for decision making purposes between the authority's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES). In line with the CIES the 2023/24 figures have been restated to show the structure as if the changes made in 2024/25 had been in place throughout 2023/24.

	As reported for resource management	Exclude transfers to/from earmarked General Fund Reserves (note A)	Adjustments in respect of "Other Income and Expenditure" (note B)	Net Expenditure Chargeable to the General Fund and HRA balances	Pension adjustments between Funding and Accounting Basis (note C)	Capital adjustments between Funding and Accounting Basis (note D)	Other adjustments between Funding and Accounting Basis (note E)	Net Expenditure in the CIES
<b>2024/25</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Chief Executive's	(223)	0	0	(223)	0	0	0	(223)
Adult Social Care	128,143	(257)	(52,755)	75,131	0	0	29	75,160
Children's Services (inc. Dedicated Schools Grant)	101,520	1,148	(2)	102,666	0	0	9,390	112,056
Health and Wellbeing (including Public Health Grant)	3,376	(248)	0	3,128	0	0	71	3,199
Finance and Legal Services	4,918	1,728	0	6,646	0	0	(19)	6,627
Digital, Commercial & Customer Services	2,936	302	0	3,238	0	0	(31)	3,207
Housing Revenue Account (HRA)	(4,285)	(36)	(2,547)	(6,868)	0	(20,085)	(688)	(27,641)
Housing and Community	3,255	344	0	3,599	0	0	(309)	3,290
Environment	52,509	(1,506)	0	51,003	0	0	(110)	50,893
Regeneration & Enterprise	14,785	(377)	0	14,408	0	0	(122)	14,286
Corporate & Treasury	1,141	4,265	(11,480)	(6,074)	0	0	1,974	(4,100)
<b>Net Cost of Services</b>	<b>308,075</b>	<b>5,362</b>	<b>(66,784)</b>	<b>246,653</b>	<b>0</b>	<b>(20,085)</b>	<b>10,185</b>	<b>236,753</b>
Other Income & Expenditure	(328,914)	13,771	14,762	(300,381)	0	43,610	(2,414)	(259,185)
<b>(Surplus) or deficit on provision of services</b>	<b>(20,839)</b>	<b>19,133</b>	<b>(52,022)</b>	<b>(53,728)</b>	<b>0</b>	<b>23,525</b>	<b>7,770</b>	<b>(22,433)</b>
Opening General Fund and HRA Balance				(56,262)				
Add/(minus) surplus/(deficit) on General Fund & HRA Balance in Year (above)				(78,696)				
<b>Closing General Fund and HRA Balance</b>				<b>(22,434)</b>				

	As reported for resource management	Exclude transfers to/from earmarked General Fund Reserves (note A)	Adjustments in respect of "Other Income and Expenditure" (note B)	Net Expenditure Chargeable to the General Fund and HRA balances	Pension adjustments between Funding and Accounting Basis (note C)	Capital adjustments between Funding and Accounting Basis (note D)	Other adjustments between Funding and Accounting Basis (note E)	Net Expenditure in the CIES
<b>2023/24</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Chief Executive's	(238)	(13)	0	(251)	(34)	0	0	(285)
Adult Social Care	123,053	372	(44,255)	79,170	(104)	0	0	79,066
Children's Services (inc. Dedicated Schools Grant)	95,605	1,827	(1)	97,431	(1,509)	0	6,635	102,557
Health and Wellbeing (including Public Health Grant)	3,297	1,281	0	4,578	(18)	0	0	4,560
Finance and Legal Services	6,685	244	0	6,929	(44)	0	0	6,885
Digital, Commercial & Customer Services	3,321	453	0	3,774	(41)	0	0	3,733
Housing Revenue Account (HRA)	(2,644)	(503)	(12,264)	(15,411)	(409)	(5,068)	0	(20,888)
Housing and Community	4,497	46	0	4,543	(11)	0	0	4,532
Environment	58,052	610	0	58,662	(82)	0	0	58,580
Regeneration & Enterprise	15,518	1,742	0	17,260	(82)	24	0	17,202
Corporate & Treasury	9,839	762	(16,072)	(5,471)	(2,879)	6,119	(1,976)	(4,207)
<b>Net Cost of Services</b>	<b>316,985</b>	<b>6,821</b>	<b>(72,592)</b>	<b>251,214</b>	<b>(5,213)</b>	<b>1,075</b>	<b>4,659</b>	<b>251,735</b>
Other Income & Expenditure	(308,742)	0	72,592	(236,150)	0	0	2,578	(233,572)
<b>(Surplus) or deficit on provision of services</b>	<b>8,243</b>	<b>6,821</b>	<b>0</b>	<b>15,064</b>	<b>(5,213)</b>	<b>1,075</b>	<b>7,237</b>	<b>18,163</b>

Opening General Fund and HRA Balance

70,262

Add/(minus) surplus/(deficit) on General Fund &amp; HRA Balance in Year (above)

(15,064)

**Closing General Fund and HRA Balance****55,198**

- 
- Note A** For resource management purposes, the authority includes in directorate reporting transfers to/from General Fund earmarked reserves. However, these need to be removed as they do not form part of net expenditure chargeable to the General Fund and HRA balances, being movements within those balances.
- Note B** For resource management purposes, the authority includes items within directorate reporting that the code requires to be shown separately from service expenditure in the financial statements, in particular levies, losses on disposal of non-current assets, financing and investment income and expenditure, and some items of non-specific grant income. Likewise, some grant income is not included within directorate reporting but is required by the code to be included in service expenditure in the financial statements, these items therefore need to be reallocated.
- Note C** This reflects the adjustment of pension contributions and payments from amounts charged by statute (reflected in directorate reporting) to those calculated on an IAS19 basis in the CIES as required by the code.
- Note D** For resource management purposes, the authority includes in directorate reporting the following items: revenue expenditure capitalisable by regulation, depreciation, certain revaluation items, losses on disposal of non-current assets, and receipt of capital grants – together with the related adjustments which by statute largely prevent them from having an impact on the General Fund and HRA Balance. This column removes those adjustments as they are not included in the CIES, along with capital expenditure charged to the General Fund and HRA balance which the authority includes in directorate reporting but is likewise not included in the CIES.
- Note E** This column reflects timing differences between statutory accounting (reflected in directorate reporting) and code requirements for: premiums and discounts on past debt restructuring; income in respect of Business Rates and Council Tax; staff remuneration in respect of absences.

## **Note 6: Expenditure and Income analysed by nature**

The authority's expenditure and income is analysed as follows:

	<b>2024/25</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
<b>Expenditure</b>		
Employee Expenses	321,837	325,147
Depreciation and Amortisation	56,450	51,719
Interest Payments	27,633	26,309
Other Operating Expenses	480,981	486,334
Support Service Recharges	56,614	54,437
Recovery of support service recharges	(56,614)	(54,437)
<b>Total Operating Expenditure</b>	<b>886,902</b>	<b>889,509</b>
<b>Income</b>		
Fees Charges & Other Service Income	(226,321)	(189,189)
Interest income & Dividends	(8,163)	
Income from Council Tax and non-domestic rates	(238,321)	(228,865)
Government Grants and Contributions	(436,531)	(453,292)

## **Revenue From Contracts with Service Recipients**

For revenue from fees, charges and other service income the transaction price is calculated in accordance with legislation and reflects the Council's legal ability to recover costs from the service recipients.

The Council typically satisfies its performance obligations upon delivery of goods or services to recipients. Standard payment terms are 30 days for services where invoices are raised e.g., Bereavement fees or immediate where payment is made at which the goods or service is received e.g., admission to events. Contracts do not typically contain financing components, and the consideration received is not variable.

Revenue is recognised either over time or at a point in time. Revenue recognised over time is measured using the input method, based on costs incurred or resources consumed as applicable to individual contracts. Revenue is recognised at a point in time when the service recipient obtains control of the promised goods or services from the Council.

For most goods and services provided by the Council payment is made at the point of provision or when an invoice is raised to the service recipient. Services where payment is made in advance of receipt are recognised as contract liabilities, these include:

- Planning and Building Control Fees
- Advance ticket sales for performances at Town Halls
- Licensing

For Planning and Building Control Fees income is recognised in the CIES when the application is approved, or the inspection regime is completed. For advance ticket sales, income is recognised when the show has been performed and for Licensing income is recognised as licences are issued and enforcement activity is carried out. The contract liability is reduced as income is recognised in the CIES.

## **Note 7: Segmental Reporting**

Income received from external customers (excluding grants) and depreciation and amortisation are analysed on a segmental basis below:

	2024/25 £'000	2024/25 £'000	2023/24 £'000	2023/24 £'000
	Income	Expenditure	Income	Expenditure
	Fees, Charges & Other Service Income	Depreciation & amortisation	Fees, Charges & Other Service Income	Depreciation & amortisation
Chief Executive's	(1,931)	0	(1,961)	3
Adult Social Care	(45,142)	550	(26,756)	571
Children's Services (inc. Dedicated Schools Grant)	(18,732)	7,060	(13,620)	7,134
Health and Wellbeing (including Public Health Grant)	(978)	0	(405)	0
Finance and Legal Services	(4,407)	0	(3,104)	0
Digital, Commercial & Customer Services	(2,874)	1,694	(2,462)	1,379
Housing Revenue Account (HRA)	(107,160)	28,719	(107,255)	25,261
Housing and Community	(1,157)	0	(69)	0
Environment	(15,003)	14,176	(12,031)	13,378
Regeneration & Enterprise	(14,392)	4,251	(16,806)	3,993
Corporate & Treasury	(14,545)	0	(4,720)	0
<b>Income/Expenditure analysed on a segmental basis</b>	<b>(226,321)</b>	<b>56,450</b>	<b>(189,189)</b>	<b>51,719</b>

N.B. The HRA income is mainly rents from council dwellings. The 2023/24 figures have been restated to reflect the structure that was adopted in 2024/25 in line with the CIES.

## **Note 8: Combinations of Public Bodies**

Four schools converted to academy status in 2024/25. Converting to academy status takes them entirely out of the local authority accounts from the date of conversion, but as they remain part of public provision the proposed change is reported as a combination of public bodies rather than as a discontinued operation.

The land and buildings of this school were on the Council balance sheet, and these have been written out as losses on disposal as follows:

School	New Status	Date of Change	Value of Land and Buildings to be written out of Council Balance Sheet £'000
Newfield Primary School	Academy	01/04/2024	8,635
Hawbush Primary School	Academy	01/05/2024	5,342
Jesson's CE Primary School	Academy	01/09/2024	1,020
Huntingtree Primary School	Academy	01/10/2024	6,834
Total			<b>21,831</b>

**Note 9: Members' Allowances**

	2024/25	2023/24
	£'000	£'000
Basic Allowance	862	867
Responsibility Allowance	434	449
Mayor and Deputy Mayor	41	36
<b>Total</b>	<b>1,337</b>	<b>1,352</b>

**Note 10: Officers' Remuneration**

The Accounts and Audit Regulations 2015 require additional disclosure of remuneration of senior employees in local authority accounts.

The table below gives the required details. In compliance with legislation, those with salary over £150,000 per annum are named; others are listed by post only.

Post		Note	Salary, Fees & Allowances £000's	Contractor Agency Payments £000's	Termination Payments £000's	Pension Contributions £000's	Total remuneration £000's
Chief Executive (K O'Keefe)	2024-25	1	104		80	23	207
Chief Executive (K O'Keefe)	2023-24		191			42	233
Interim Chief Executive (B Heran)	2024-25	2	180			40	220
Deputy Chief Executive (B Heran)	2023-24		161			35	196
Director of Adult Social Care	2024-25	4	118		37	26	181
Director of Adult Social Care	2023-24		144			31	175
Director of Children's Services	2024-25	3	38			8	46
Director of Children's Services	2023-24		149			33	182
Director of Public Health and Wellbeing	2024-25		120			17	137
Director of Public Health and Wellbeing	2023-24		50			7	57
Director of Finance and Legal	2024-25	7	60		60	13	133
Director of Finance and Legal	2023-24		117			26	142
Lead for Law & Governance	2024-25	6	85		22	19	126
Lead for Law & Governance	2023-24		94			20	114
Assistant Director People & Inclusion	2024-25		95			21	116
Assistant Director People & Inclusion	2023-24		92			20	113
Head of Communications & Public Affairs	2024-25	8	16			3	19
Head of Communications & Public Affairs	2023-24		77			17	94
Head of Chief Executive's Office	2024-25		58			12	70
Head of Chief Executive's Office	2023-24		55			12	67
Acting Service Director of Childrens Social Care	2024-25	11	101			22	123

Contractor -Interim Director of Public Health and Wellbeing	2024-25	12		7		0	7
Director of Housing & Communities	2024-25	13	109			24	133
Director of Environment	2024-25	14	109			24	133
Director of Regeneration & Enterprise	2024-25	16	109			24	133
Interim Director of Adult Social Care	2024-25	5	86			19	105
Contractor Programme Director	2024-25	9		142		0	142
Acting Director of Children's Services	2024-25	10	141			31	172
Interim Lead for Law & Governance	2024-25			15	72		16 88

Note 1 - Leaver 30/09/2024

Note 2 - New role as Interim Chief Executive on 01/10/2024 (and moved out of Deputy Chief Executive role)

Note 3 - Leaver 30/06/2024

Note 4 - Leaver 31/12/2024

Note 5 - New role as Interim on 27/01/2025

Note 6 - Leaver 20/01/2025

Note 7 - Leaver 30/09/2024

Note 8 - Leaver 09/06/2024

Note 9 - Interim contract from 08/08/2024 to 28/02/2025

Note 10 - New role as Interim started 01/07/2024

Note 11 - New role reporting direct to Chief Executive from 01/07/2024

Note 12 - New role reporting direct to Chief Executive from 07/10/2024

Note 13 - role now reporting to the Chief Executive

Note 14 - role now reporting to the Chief Executive

Note 15 - New role as Interim started 31/01/2025

Note 16 - role now reporting to the Chief Executive, left 30/03/2025

The number of officers whose remuneration, excluding employer's pension contributions, was £50,000 or more in bands of £5,000 were:

Payroll Bands	2024/25			2023/24		
	Schools Number	Non- Schools Number	Total	Schools Number	Non- Schools Number	Total
£50,000 - £54,999	103	148	251	112	172	284
£55,000 - £59,999	60	117	177	32	79	111
£60,000 - £64,999	24	42	66	35	36	71
£65,000 - £69,999	25	8	33	22	10	32
£70,000 - £74,999	22	10	32	12	11	23
£75,000 - £79,999	9	16	25	16	11	27
£80,000 - £84,999	18	7	25	10	7	17
£85,000 - £89,999	5	2	7	1	1	2
£90,000 - £94,999	2	1	3	3	1	4
£95,000 - £99,999	1	0	1	2	0	2
£100,000 - £104,999	3	0	3	3	2	5
£105,000 - £109,999	0	1	1	1	5	6
£110,000 - £114,999	2	0	2	1	0	1
£115,000 - £119,999	0	0	0	0	0	0
£120,000 - £124,999	2	0	2	0	0	0
£125,000 - £129,999	0	0	0	0	0	0
Total	276	352	628	250	335	585

These numbers exclude the senior employees listed in the previous table, and staff whose contract of employment is not with the Council, i.e., staff at foundation and voluntary aided schools. The figures include staff who received payments in addition to normal remuneration. In 2024/25 this applied to **nil** officers (2023/24 = 0).

The contracts of a number of employees have been terminated, or planned to be terminated, in 2024/25. As a result, it incurred anticipated liabilities of **£1.076m** for redundancy payments and **£1.336m** for capitalised pension costs.

Redundancy payments agreed but not actually paid before 31<sup>st</sup> March 2025 have been accrued as creditors. Pension costs have been accounted for in accordance with normal pension arrangements.

The table below sets out the numbers of such exit packages (including those for staff at foundation and voluntary aided schools) with total cost per band and total cost of the compulsory and other redundancies:

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
							£'000	£'000
£ 0 - £ 20,000	6	47	13	20	19	67	141	558
£ 20,001 - £ 40,000	3	7	2	2	5	9	151	248
£ 40,001 - £ 60,000	1	5	1	1	2	6	119	299
£ 60,001 - £ 80,000	0	4	1	0	1	4	80	282
£ 80,001 - £100,000	0	4	0	0	0	4	0	359
£100,001 +	0	5	0	0	0	5	0	667
<b>Total</b>	<b>10</b>	<b>72</b>	<b>17</b>	<b>23</b>	<b>27</b>	<b>95</b>	<b>491</b>	<b>2,413</b>

### **Note 11: Pension Schemes Accounted for as Defined Contribution Schemes**

Teachers employed by the council are members of the Teachers' Pension Scheme, administered by Teachers' Pensions on behalf of the Department for Education. The Scheme provides teachers with specified benefits upon their retirement, and the council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The Scheme is technically a defined benefit scheme. However, the Scheme is unfunded, and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The council is not able to identify its share of the underlying assets and liabilities of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2024/25, the council paid £19.983m to Teachers' Pensions in respect of the teachers' retirement benefits, based on a contribution rate of 28.68%. (The figures for 2023/24 were £18.339m (with a rate of 23.68%). The payment in 2025/26 is anticipated to be £20.177m based on a contribution rate of 28.68%.

Similar arrangements exist for former NHS staff who transferred to Dudley with the Public Health function. In 2024/25, the council paid monthly contributions totalling £0.154k to NHS Pensions Scheme, based on a contribution rate of 14.38% including 0.08% for the employer levy. However, the total employer's contribution rate was 20.68% with the Department for Health and Social Care (DHSC) contributing 3.8% and the Council contributing 2.5% via invoice. In 2024/25 this equated to an additional contribution from the Council of £0.027k. Therefore, the total paid by the Council in 2024/25 was £0.181k. (This arrangement existed from July 2019, the Council's total contribution for 2023/24 was £0.169m with £0.025m being the additional 2.5% contribution). The total payment in 2025/26 is anticipated to be £0.180k at 14.38% of pensionable pay (with the same arrangement for DHSC contributing 3.8% of pensionable pay directly to NHS Pensions) and £0.027k for the additional 2.5% contribution.

The council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a defined benefit basis and detailed in [Note 28](#), under the unfunded scheme.

### **Note 12: External Audit Costs**

The Council has incurred the following costs in relation to the audit of the Statement of Accounts and certification of grant claims provided by the Council's external auditors, Grant Thornton:

	<b>2024/25</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
Fees payable to Grant Thornton with regard to external audit services carried out by the appointed auditor for the year	402	377
Fees payable in respect of other services provided by Grant Thornton during the year	39	64
<b>Total</b>	<b>441</b>	<b>441</b>

### **Note 13: Use of Dedicated Schools Grant**

The council's expenditure on schools is funded primarily by grant monies provided by the Department for Education, the Dedicated Schools Grant (DSG). DSG is a ring-fenced grant, and it must be used in support of the school's budget as defined in the School and Early Years Finance (England) Regulations 2021. The schools Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget, which is divided into a budget share for each maintained school.

**Details of the deployment of DSG receivable for 2024/25 are as follows:**

<b>2024/25</b>	<b>Central expenditure</b>	<b>Individual schools budget</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Final DSG for 2024/25 before academy and high needs recoupment			353,435
Academy and high needs figure recouped for 2024/25			171,194
<b>Total DSG after academy and high needs recoupment for 2024/25</b>			<b>182,242</b>
Plus: Brought forward from 2023/24			0
Less: Carry-forward to 2024/25 agreed in advance			0
<b>Agreed initial budgeted distribution in 2024/25</b>	51,018	131,224	<b>182,242</b>
In year adjustments	(92)	263	171
<b>Final budget distribution for 2024/25</b>	<b>50,926</b>	<b>131,487</b>	<b>182,413</b>
Less: Actual central expenditure	59,714		59,714
Less: Actual ISB deployed to schools		132,067	132,067
Plus: Local authority contribution for 2024/25	0	0	0
<b>In Year Carry-forward to 2024/25</b>	<b>(8,788)</b>	<b>(580)</b>	<b>(9,369)</b>
Plus/(Minus): Carry-forward to 2025/26 agreed in advance			0
Carry-forward to 2025/26			0
DSG unusable reserve at the end of 2023/24			(28,715)
Addition to DSG unusable reserve at the end of 2024/25			(9,369)
<b>Total of DSG unusable reserve at the end of 2024/25</b>			<b>(38,084)</b>
<b>Net DSG position at the end of 2024/25</b>			<b>(38,084)</b>

The final Early Years Block adjustment has been calculated based on January 2025 census data only (to support the period January to March 2025) on the basis that this is in line with prior year methodology. This has been included within the in-year adjustments category, in line with the CIPFA Code of Practice.

**Details of the deployment of DSG receivable for 2023/24 are as follows:**

<b>2023/24</b>	<b>Central expenditure</b>	<b>Individual schools budget</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Final DSG for 2023/24 before academy and high needs recoupment			322,443
Academy and high needs figure recouped for 2023/24			149,576
<b>Total DSG after academy and high needs recoupment for 2023/24</b>			<b>172,867</b>
Plus: Brought forward from 2022/23			0
Less: Carry-forward to 2023/24 agreed in advance			0
<b>Agreed initial budgeted distribution in 2023/24</b>	47,227	125,640	<b>172,867</b>
In year adjustments	250	(336)	(86)
<b>Final budget distribution for 2023/24</b>	<b>47,477</b>	<b>125,304</b>	<b>172,781</b>
Less: Actual central expenditure	54,112		54,112
Less: Actual ISB deployed to schools		125,304	125,304
Plus: Local authority contribution for 2023/24	0	0	0
<b>In Year Carry-forward to 2023/24</b>	<b>(6,635)</b>	<b>0</b>	<b>(6,635)</b>
Plus/(Minus): Carry-forward to 2024/25 agreed in advance			0
Carry-forward to 2024/25			0
DSG unusable reserve at the end of 2022/23			(22,080)
Addition to DSG unusable reserve at the end of 2023/24			(6,635)
<b>Total of DSG unusable reserve at the end of 2023/24</b>			<b>(28,715)</b>
<b>Net DSG position at the end of 2023/24</b>			<b>(28,715)</b>

**Note 14: Grant Income**

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2024/25:

<b>Credited to Taxation and Non Specific Grant Income:</b>	<b>2024/25</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
New Homes Bonus	71	53
P.F.I. Credit	1,986	1,986
Levy Account Support Grant	578	578
Green Plant and Machinery Exemption	122	249
Services Delivery Grant	481	2,786
Business Rates Grant	33,304	28,740
Local Council Tax Support	0	640
Lower Tier	0	0
<b>Total Revenue Grants</b>	<b>36,542</b>	<b>35,032</b>
Department for Education	5,901	13,193
Department for Environment, Food and Rural Affairs	0	2,679
Ministry for Housing, Communities and Local Government	10,932	5,681
Homes England	234	506
Transport for West Midlands	9,991	8,941
Lottery	32	8
West Midlands Combined Authority	0	2,100
Local Enterprise Partnership	0	524
European Regional Development Fund	6	141
Department for Business, Energy & Industrial Strategy	0	(132)
Arts Council England	134	
Other Grants and Contributions	953	669
<b>Total Capital Grants and Contributions</b>	<b>28,183</b>	<b>34,310</b>
<b>Total Revenue &amp; Capital Grants, Contributions &amp; Donations credited to Taxation and Non Specific Grant Income</b>	<b>64,725</b>	<b>69,342</b>
<b>Credited to Services:</b>	<b>2024/25</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
Department for Education and Education & Skills Funding Agency	206,264	198,284
Department for Works and Pensions	53,225	55,910
Better Care Fund	35,519	32,252
Ministry for Housing, Communities and Local Government	52,925	34,507
European Social Fund	216	39,521
Home Office	1,732	2,493
Transport for West Midlands	0	1,833
Integrated Care Board (formerly Clinical Commissioning Group)	18,096	297
Local Authorities	1,086	12,039
Ministry of Justice	791	1,301
Department for Business, Energy & Industrial Strategy	9	709
Department of Health & Social Care	36,795	112
Other Grants and Contributions	11,558	4,652

The Council has received some grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that would require the monies or property to be returned to the giver if the condition were not complied with. The balances at year-end are as follows:

	31-Mar-25	31-Mar-24
	£'000	£'000
<b>Capital Grants Receipts in Advance:</b>		
Children's services grants (current liabilities)	0	0
Children's services grants (long term liabilities)	649	925
	<b>649</b>	<b>925</b>

	31-Mar-25	31-Mar-24
	£'000	£'000
<b>Revenue Grants Receipts in Advance:</b>		
Adult Learning academic year grants	612	555

### **Note 15: Related Parties**

The Council is required to disclose material transactions with related parties, bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows the readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

#### **Members and Officers of the Authority**

A register of Members' pecuniary and non-pecuniary interests is held and is available to view on the Council's website. In respect of the 2024/25 financial year, works and services were commissioned from organisations and companies in which Members, Senior Officers and key personnel of the Authority had an interest by way of ownership, or as a director, trustee, governor, partner, or member.

The table below shows the organisations to which the Council made significant payments in the year (not including precept payments) and where a member had an interest. We have included items which have been considered material by nature from both the perspective of the authority and the related party concerned.

Related Party	Nature of Interest	Income £'000	Expenditure £'000	Creditors £'000
Centre for Equality and Diversity	A Councillor is a Director/Chair	10		
Brierley Hill Community Forum	A Councillor is a Director		10	

There were no material payments to organisations where a senior officer or member of key personnel had an interest.

West Midlands Combined Authority and West Midlands Fire and Rescue Authority are identified as related parties defined as "Other Public Bodies", and transactions are also disclosed in the table below.

It may be noted that all members' financial and other interests which could conflict with those of the Council are open to public inspection as required by section 81(1) of the Local Government Act 2000 and the Local Authorities (Model Code of Conduct) (England) Order 2001.

### Central Government

The UK Government is a related party to Dudley Metropolitan Borough Council and exerts significant influence through legislation and grant funding.

### Other Public Bodies

The following material transactions with other public bodies, under common government control, took place during the year:

		<b>£'000</b>	<b>£'000</b>
West Midlands Combined Authority	Transport Levy	13,131	
West Midlands Combined Authority	Income/Expenditure	607	901
West Midlands Police and Crime Commissioner	Precept (and share of Council Tax deficit)	20,451	
West Midlands Fire and Rescue Services	Precept, Business Rate share and share of Council tax deficit	7,965	
NHS	Income/Expenditure	11,588	3,513

Related companies and trust funds are disclosed separately, related companies in Note 39 and trust funds in Note 40.

## Balance Sheet Notes

### Note 16: Usable Reserves

This note shows out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans. It also sets out the school reserves that are committed to be spent in the education service and are not available to the council for general use, and unapplied capital grants and capital receipts that can be used only for specified purposes, mainly capital expenditure.

	Balance at 31 March 2025	Movements In/(Out) 2024-25	Balance at 31 March 2024	Movements In/(Out) 2023-24	Balance at 31 March 2023
	£'000	£'000	£'000	£'000	£'000
<b>General Fund Balance</b>	<b>27,420</b>	<b>16,554</b>	<b>11,929</b>	<b>(9,823)</b>	<b>21,752</b>
Business Rates Grants	0	(5,696)	5,696	0	5,696
Insurance	3,917	(2,081)	5,998	141	5,857
Public Health	4,857	247	4,609	(1,258)	5,867
Covid Grants	0		0	(100)	100
DGfL & Paragon Equalisation	1,090	(885)	1,975	(1,063)	3,038
Schools Community and Extended Use	1,810	(123)	1,934	2	1,932
Social Care ICT	0	(101)	101	(399)	500
Other Social Care	553	178	375	(47)	422
Transformation	0		0	0	0
Other Earmarked reserves	5,153	2,220	2,933	(3,721)	6,654
Revenue Grants unspent	3,716	272	3,444	303	3,141
<b>Total Earmarked General Fund Reserves</b>	<b>21,096</b>	<b>(5,969)</b>	<b>27,065</b>	<b>(6,142)</b>	<b>33,207</b>
LMS Reserves including Foundation Schools	6,306	119	6,188	(1,405)	7,593
<b>Total Schools Reserves</b>	<b>6,306</b>	<b>119</b>	<b>6,188</b>	<b>(1,405)</b>	<b>7,593</b>
HRA General Reserve	12,051	4,285	7,766	2,644	5,122
HRA Earmarked Reserves	3,924	609	3,315	728	2,587
<b>Total HRA Revenue Reserves</b>	<b>15,975</b>	<b>4,894</b>	<b>11,081</b>	<b>3,372</b>	<b>7,709</b>
Major Repairs Reserve	1,890	1,890	0		0
<b>Total HRA Reserves</b>	<b>17,865</b>	<b>6,784</b>	<b>11,081</b>	<b>3,372</b>	<b>7,709</b>
<b>Capital Grants Unapplied Reserve</b>	<b>38,125</b>	<b>33,325</b>	<b>4,800</b>	<b>(1,526)</b>	<b>6,326</b>
<b>Usable Capital Receipts Reserve</b>	<b>44,806</b>	<b>24,779</b>	<b>20,027</b>	<b>3,476</b>	<b>16,551</b>
<b>Total Usable Reserves</b>	<b>155,617</b>	<b>75,592</b>	<b>81,090</b>	<b>(12,049)</b>	<b>93,138</b>

The Business Rates Grants reserve carries forward:

- grant funding towards various reliefs (including Covid related retail relief).
- grant funding towards reductions in Business Rates and Council Tax income resulting from the Covid pandemic.

to offset the impact of those reliefs and reductions when charged to the General Fund in future years as a result of statutory Business Rate accounting arrangements.

The Insurance reserve is maintained at a level consistent with the insurable risks borne by the Council, including those residual risks relating to the Council's interest in Municipal Mutual Insurance (MMI) and will fluctuate accordingly.

The Public Health Grant carries forward mainly ring-fenced funding pursuant to the Council's Public Health functions.

The DGfL (Dudley Grid for Learning) and Paragon equalisation reserves represent Government revenue support for these PFI schemes received early in the projects, which will be expended over their remaining life.

Schools Community and Extended Use – Credit balances arising from provision of services, carried forward to support activity in future years.

The Social Care ICT Reserve contributes to replacement of the Social Care ICT system to address performance issues including those identified as part of the OFSTED inspection of Children's Services.

The Other Social Care reserve is earmarked for activity relating to the Transforming Care Programme.

Other earmarked reserves are resources to spend on various Council initiatives including Regeneration, OFSTED improvements and Community Forums.

The Revenue grants unspent includes balances earmarked for a number of specific projects including IMPACT, Homelessness, Domestic Abuse and Troubled Families.

The Scheme for Financing Schools - These relate to preserved funds of schools for use in future years, under the terms of Dudley's budget delegation scheme. Of the net balance of £6.188m as at 31<sup>st</sup> March 2025, £7.535m relates to credit, and £1.347m to debit (overdrawn) balances.

Dedicated Schools Grant (DSG) – The cumulative deficit to be recovered in future years is now carried forward in the Dedicated Schools Grant Adjustment Account in line with new statutory accounting arrangements. See [Note 13](#) and [Note 26](#).

**Note 17: Property, Plant and Equipment and Intangible Assets****Movements in 2024/25 (Property, Plant and Equipment):**

	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant, Furniture & Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total Property, Plant & Equipment £'000
<b>Cost or Valuation</b>							
<b>At 1 April 2024</b>	<b>1,120,673</b>	<b>498,806</b>	<b>71,321</b>	<b>10,857</b>	<b>1,981</b>	<b>11,239</b>	<b>1,714,877</b>
Reclassifications	(30)					30	0
Additions - Capital spend	37,019	8,455	763	573		24,679	71,489
Revaluation increases or (decreases) recognised in the Revaluation Reserve		9,574		(108)	1,793		11,259
Revaluation increases or (decreases) recognised in the Surplus/Deficit on the Provision of Services							0
Derecognition - disposals	(10,857)	(26,380)	(467)				(37,704)
<b>At 31 March 2025</b>	<b>1,146,805</b>	<b>490,455</b>	<b>71,617</b>	<b>11,322</b>	<b>3,774</b>	<b>35,948</b>	<b>1,759,921</b>
<b>Accumulated Depreciation and Impairment</b>							
<b>At 1 April 2024</b>	<b>0</b>	<b>(1,741)</b>	<b>(42,616)</b>	<b>(3,326)</b>	<b>0</b>	<b>0</b>	<b>(47,683)</b>
Reclassifications							0
Depreciation Charge	(28,600)	(11,370)	(5,105)	(81)			(45,156)
Depreciation written out to the revaluation reserve		138					138
Depreciation written out to the surplus/deficit on the Provision of Services							0
Derecognition - disposals							0
<b>At 31 March 2025</b>	<b>(28,600)</b>	<b>(12,973)</b>	<b>(47,721)</b>	<b>(3,407)</b>	<b>0</b>	<b>0</b>	<b>(92,701)</b>
<b>Net Book Value at 31 March 2025</b>	<b>1,118,205</b>	<b>477,482</b>	<b>23,896</b>	<b>7,915</b>	<b>3,774</b>	<b>35,948</b>	<b>1,667,220</b>
<b>Net Book Value at 31 March 2024</b>	<b>1,120,673</b>	<b>497,065</b>	<b>28,705</b>	<b>7,531</b>	<b>1,981</b>	<b>11,239</b>	<b>1,667,194</b>

**Movements in 2023/24 (Property, Plant and Equipment):**

	Council Dwellings £'000	Other Land and and Buildings £'000	Vehicles, Plant, Furniture & Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total Property, Plant & Equipment £'000
<b>Cost or Valuation</b>							
<b>At 1 April 2023</b>	<b>1,092,023</b>	<b>498,706</b>	<b>69,026</b>	<b>10,138</b>	<b>3,789</b>	<b>9,301</b>	<b>1,682,983</b>
Reclassifications	(1,081)	(2,383)		299	(1,705)	(9,576)	(14,446)
Additions - Capital spend	44,094	8,777	6,999	420	9	11,514	71,813
Revaluation increases or (decreases) recognised in the Revaluation Reserve	(7,978)	28,464					20,486
Revaluation increases or (decreases) recognised in the Surplus/Deficit on the Provision of Services		1,083					1,083
Derecognition - disposals	(6,385)	(35,841)	(4,704)		(112)		(47,042)
<b>At 31 March 2024</b>	<b>1,120,673</b>	<b>498,806</b>	<b>71,321</b>	<b>10,857</b>	<b>1,981</b>	<b>11,239</b>	<b>1,714,877</b>
<b>Accumulated Depreciation and Impairment</b>							
<b>At 1 April 2023</b>	<b>0</b>	<b>(8,240)</b>	<b>(42,482)</b>	<b>(3,245)</b>	<b>0</b>	<b>0</b>	<b>(53,967)</b>
Reclassifications		91					91
Depreciation Charge	(25,091)	(11,187)	(4,799)	(81)			(41,158)
Depreciation written out to the revaluation reserve	25,091	8,884					33,975
Depreciation written out to the surplus/deficit on the Provision of Services		1,140					1,140
Derecognition - disposals		7,571	4,665				12,236
<b>At 31 March 2024</b>	<b>0</b>	<b>(1,741)</b>	<b>(42,616)</b>	<b>(3,326)</b>	<b>0</b>	<b>0</b>	<b>(47,683)</b>
<b>Net Book Value at 31 March 2024</b>	<b>1,120,673</b>	<b>497,065</b>	<b>28,705</b>	<b>7,531</b>	<b>1,981</b>	<b>11,239</b>	<b>1,667,194</b>
<b>Net Book Value at 31 March 2023</b>	<b>1,092,023</b>	<b>490,466</b>	<b>26,544</b>	<b>6,893</b>	<b>3,789</b>	<b>9,301</b>	<b>1,629,016</b>

**Depreciation**

Assets are depreciated as per the Accounting Policies note.

**Effects of Changes in Estimates**

There were no significant changes in accounting estimates used in calculating current values of properties.

**Revaluations**

The Council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at current value is revalued at least every five years. All the valuations were carried out by an external valuer (Bruton Knowles). Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. All revaluations were carried out as at 31<sup>st</sup> March 2025.

Council dwellings were revalued by an external valuer (Savills) as at 31<sup>st</sup> March 2025 in line with the requirement for regular external valuations set out in the MHCLG Stock Valuation for Resource Accounting – Guidance for Valuers 2016. The valuations use the beacon approach to valuation, which is recommended by MHCLG as being most suitable for this purpose and allowing greater consistency and comparison between local authorities.

Short-lived assets such as vehicles are carried at depreciated historic cost as a proxy for current value. Community Assets (e.g., parks) and Infrastructure Assets (e.g., roads) have not been valued, but are included at historic cost, net of depreciation, in accordance with the Accounting Code of Practice.

**The significant assumptions applied in estimating the current values**

For specialised property, or assets for which there is little or no market evidence of value, and which therefore have been valued based on Depreciated Replacement Cost (DRC), it is assumed that there will be continuing occupation.

No account has been taken of flooding the market, each property or group of properties being assumed to stand alone.

Where properties have been valued based on DRC, or for redevelopment purposes, it is assumed that the location of services and ground conditions would not adversely affect the layout of buildings, that all relevant services are of adequate capacity and proximate, and that all necessary consents and approvals would be forthcoming.

**Components**

Where identifiable and significant components of a building have a shorter life than the building itself, they should be depreciated separately, to ensure that the annual charge to revenue fully reflects the use of the building. In Dudley, the overall difference between asset lives and actual replacement periods is such that there would not be a significant effect on the accounts if components were separately depreciated. Therefore, it has been decided to consider componentisation on the largest assets only.

**Dates of Valuation of Properties within Plant, Property and Equipment**

	<b>Council Dwellings £'000</b>	<b>Other Land and Buildings £'000</b>	<b>Vehicles Plant and Equipment £'000</b>	<b>Surplus Assets £'000</b>	<b>Total £'000</b>
<b>Carried at Depreciated Historical Cost</b>			23,896		23,896
<b>Valued at current value as at:</b>					
31st March 2025	1,118,205	476,582		3,774	1,598,561
31st March 2024		900			900
31st March 2023					0
31st March 2022					0
31st March 2021					0
31st March 2019					0
<b>Total Cost or Valuation</b>	<b>1,118,205</b>	<b>477,482</b>	<b>23,896</b>	<b>3,774</b>	<b>1,623,357</b>

**Intangible Assets**

Expenditure and other movements in Intangible Assets are as follows:

	<b>2024/25 £'000</b>	<b>2023/24 £'000</b>
<b>Opening Balance</b>	665	665
Additions in year	17	138
De-recognition - disposals		0
Amortisation in year	(158)	(138)
<b>Closing Balance</b>	<b>524</b>	<b>665</b>

**Infrastructure Assets**

Movements on Balances

	<b>2024/25 £'000</b>	<b>2023/24 £'000</b>
<b>Net book value (Modified Historical Cost) at 1st April</b>	227,756	222,161
Additions	11,032	16,017
Derecognition	0	0
Depreciation	(11,136)	(10,422)
Impairment	0	0
Other movements in cost	0	0
<b>Net Book Value at 31st March</b>	<b>227,652</b>	<b>227,756</b>

Infrastructure assets are included within Plant, Property and Equipment (PPE) on the Balance Sheet (along with the other PPE assets at the start of this note). In order to reconcile between the balance sheet and this note a short summary has been added below:

	<b>31st March 2025</b>	<b>31st March 2024</b>
	<b>£'000</b>	<b>£'000</b>
Infrastructure Assets	227,652	227,756
Other PPE Assets	1,667,220	1,667,194
<b>Total PPE assets on face of balance sheet</b>	<b>1,894,872</b>	<b>1,894,950</b>

In accordance with the Temporary Relief offered by the update to the Code on infrastructure assets this note does not include a disclosure of gross costs and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position (as rather than manually derecognising infrastructure components as they are replaced we assume (as per adoption of the Statutory Instrument issued by DLUHC in December 2022) that the assets being replaced have a gross book value of nil). We are assured that this is the case because we have reviewed the useful lives used and believe that overall assets are being replaced in line with the useful lives proposed in the accounting policy.

**Note 18: Heritage Assets**

The Council's Heritage Assets are held in support of the objectives of increasing knowledge, understanding and appreciation of the Borough's history and the local area. Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant, and equipment however some measurement rules are relaxed (accounting policy 22).

**Movements in 2024/25**

	<b>Assets at Valuation</b>	<b>Assets at Cost</b>	<b>Total Heritage Assets</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>At 1st April 2024</b>	<b>19,423</b>	<b>4,942</b>	<b>24,365</b>
Revaluation increases or (decreases) recognised in the Revaluation Reserve	0		0
Revaluation increases or (decreases) recognised in the Surplus/Deficit on the Provision of Services			0
Additions	0		0
<b>At 31st March 2025</b>	<b>19,423</b>	<b>4,942</b>	<b>24,365</b>

**Movements in 2023/24**

	<b>Assets at Valuation</b>	<b>Assets at Cost</b>	<b>Total Heritage Assets</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>At 1st April 2023</b>	<b>19,423</b>	<b>4,942</b>	<b>24,365</b>
Revaluation increases or (decreases) recognised in the Revaluation Reserve	0		0
Revaluation increases or (decreases) recognised in the Surplus/Deficit on the Provision of Services			0
Additions	0	0	0
<b>At 31st March 2024</b>	<b>19,423</b>	<b>4,942</b>	<b>24,365</b>

**Note 19: Financial Instruments**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The following categories of financial instrument are carried in the Balance Sheet:

<b>Financial Assets</b>	<b>Non-Current</b>		<b>Current</b>	
	<b>31 March 2025 £'000</b>	<b>31 March 2024 £'000</b>	<b>31 March 2025 £'000</b>	<b>31 March 2024 £'000</b>
<b>Fair value through other comprehensive income - designated equity instruments</b>				
Birmingham Airport Shares (Note 39)	30,252	35,342	0	0
<b>Investments at Amortised Cost</b>				
Loans to Other Local Authorities	0	0	0	0
Deposits with Debt Management Office	0	0		5,800
Bank Deposits	0	0	20	19
Cash & Cash Equivalents (Note 22)	0	0	5,897	8,687
<b>Non-Statutory Debtors at Amortised cost</b>				
Soft Loans *	240	280	0	0
Other Long Term Non-Statutory Debtors **	11,868	12,782	0	0
Short term Non-Statutory Debtors	0	0	40,868	37,800
<b>Total Financial Assets ***</b>	<b>42,360</b>	<b>48,404</b>	<b>46,785</b>	<b>52,306</b>
<b>Financial Liabilities at Amortised Cost</b>				
<b>Borrowings</b>				
Dudley PWLB loans	607,707	622,707	15,000	14,000
Dudley Market loans	10,000	15,000	5,035	2,542
Ex WMCC PWLB loans		24,670	24,670	22,787
Ex WMCC Market loans		0	0	0
Dudley Accrued Interest		0	4,077	6,787
Ex WMCC Accrued Interest		0	67	463
Dudley Premiums Adjusting Carrying Value	(429)	(467)	0	0
Ex WMCC Premiums Adjusting Carrying Value		0	0	0
<b>Total Borrowings</b>	<b>617,278</b>	<b>661,910</b>	<b>48,849</b>	<b>46,579</b>
<b>Deferred Liabilities</b>				
PFI Liabilities (Note 38)	4,856	5,699	843	662
Finance Lease Liabilities (Note 37)	4,258	4,513	255	236
<b>Total Deferred Liabilities</b>	<b>9,114</b>	<b>10,212</b>	<b>1,098</b>	<b>898</b>
Non-Statutory Creditors****	0	0	106,458	63,023
<b>Total Financial Liabilities</b>	<b>626,393</b>	<b>672,122</b>	<b>156,405</b>	<b>110,500</b>

\* A Soft Loan of £400k, at nil interest repayable over 10 years, was made to Dudley Zoo to fund the construction of a car park in 2020/21.

\*\* Other Long-Term Debtors are mainly home improvement loans from the Kickstart scheme (£2.920m), a finance lease for the Travelodge hotel (£3.096m) and loans to academy schools for unequal pay claims (£3.136m). Also the Council issued a long-term loan to Black Country Innovation and Manufacturing Organisation (BCIMO) of £2.049m.

\*\*\*To reconcile the total financial assets to the balance sheet you would need to add in statutory debtors and payments in advance not included in this note.

\*\*\*\*To reconcile the total current creditors on the balance sheet to this note you would need to add in statutory creditors. Note 24, Creditors.

### Investments

The council invests its day-to-day cash balances in order to generate income by earning interest. At 31<sup>st</sup> March 2025, £3.307m of such balances were held in call accounts, which are classed as cash equivalents.

The Council's shareholding investment in Birmingham Airport cost £7.675m. The latest valuation on the basis of earnings is £30.252 million for Dudley's 5.58% ordinary shareholding and 11.39% preference shareholding. This shareholding is a long-term strategic investment held by the Council to support the wider provision of local and regional public services, and to receive regular dividend income, rather than for capital growth or to sell. Therefore, the Council has elected to take up the option to designate the shareholding as an equity instrument at fair value through other comprehensive income as this is more likely to present a true and fair view of its financial performance, than presenting changes in fair value in the surplus or deficit on provision of services. Ordinary dividends received in 2024/25 were £5.513m (2023/24= £0m) and preference dividends were £0.110m in 2024/25 (2023/24 =£0.110m). There was a loss of £5.09m in 2024/25 in the fair value which reduced the Financial Instruments Revaluation Reserve.

### Borrowings

This table shows the source of long-term borrowing and short-term borrowing including debt formerly held by the West Midlands County Council (WMCC), to be serviced by the West Midlands Borough Councils and Joint Boards, under the terms of the Local Government Reorganisation (Debt Administration) (West Midlands) Order 1986 which designated Dudley as being responsible for the administration of the debt.

All these items are financial liabilities held at amortised cost; the balance sheet figures include amounts relating to premiums occasioned by restructuring of debt. Maturity loans repayable within 12 months and principal on annuity loans repayable within 12 months are classed as short-term borrowing. The table above shows the underlying borrowing, and separately the amounts relating to premiums.

### Income, Expense, Gains and Losses

Interest income and expense is disclosed in [Note 3](#), and gains on revaluation of assets held at FVOCI on the face of the CIES.

### Fair Values

The fair value of assets and liabilities (at balance sheet dates) is shown in the table below. Fair value (i.e., reflecting market values) is defined as the value at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction. It reflects changes in expectation of interest rates. The fair values of the Public Works Loan Board loans have been valued by discounting at rates for new certainty rate loans at 31<sup>st</sup> March. Other long-term loans and investments have been discounted at the market rates for similar instruments on 31 March.

Short-term debtors and creditors are carried at cost as this is a fair approximation of their value. The fair values for short-term trade receivables and payables are not included in the table as the carrying amounts are a reasonable approximation of their fair values.

### Fair Value of Assets & Liabilities

Assets	31 March 2025	31 March 2024
--------	---------------	---------------

	<b>Carrying Amount £'000</b>	<b>Fair Value £'000</b>	<b>Carrying Amount £'000</b>	<b>Fair Value £'000</b>
<b>Fair value through other comprehensive income - designated equity instruments</b>				
Birmingham Airport Shares	30,252	30,252	35,342	35,342
<b>Amortised Cost</b>				
Long term loans to other local authorities	0	0	0	0
Short term loans to other local authorities	0	0	0	0
Deposits with the Debt Management Office	0	0	5,800	5,800
Bank Deposits	20	20	19	19
Cash & Cash Equivalents	5,897	5,897	8,687	8,687
Long Term Non-Statutory Debtors	12,108	12,108	13,061	13,061
<b>Total Assets</b>	<b>48,277</b>	<b>48,277</b>	<b>62,909</b>	<b>62,909</b>

<b>Liabilities</b>	<b>31 March 2025</b>		<b>31 March 2024</b>	
	<b>Carrying Amount £'000</b>	<b>Fair Value £'000</b>	<b>Carrying Amount £'000</b>	<b>Fair Value £'000</b>
<b>Amortised Cost</b>				
Dudley Public Works Loan Board	622,707	501,604	636,707	553,599
Dudley Other debt	15,035	13,481	17,542	16,715
Ex WMCC Public Works Loan Board	24,670	24,670	47,457	47,577
Ex WMCC other debt	0	0	0	0
PFI Scheme Liabilities	5,699	5,699	6,361	6,570
Finance Lease Payables	4,513	4,513	4,749	5,585
<b>Total Liabilities</b>	<b>672,623</b>	<b>549,966</b>	<b>712,816</b>	<b>630,046</b>

Some of the Council's financial assets and liabilities are measured in the Balance Sheet at fair value on a recurring basis and are described in the final table, including the valuation techniques used to measure them. The table above also includes liabilities where the carrying amount is the amortised cost but we have disclosed the fair value as per the Code.

Fair values are shown below, split by their level in the fair value hierarchy:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices.
- Level 2 – fair value is calculated from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – fair value is determined using unobservable inputs, e.g., non-market data such as cash flow forecasts or estimated creditworthiness.

Recurring fair value measurements	Input level in fair value hierarchy	Valuation technique used to measure fair value	31 March 2025 £'000	31 March 2024 £'000
<b>Assets</b>				
Shares in Birmingham Airport	3	Earning-based approach	30,252	35,342
Long term loans to other Local Authorities	2	Discount contractual cash flows at the market rate for a similar instrument of the same remaining term with a counterparty of similar credit standing	0	0
Short term investments	2	Discount contractual cash flows at the market rate for a similar instrument of the same remaining term with a counterparty of similar credit standing	0	5,800
<b>Total Assets</b>			<b>30,252</b>	<b>41,142</b>
<b>Liabilities</b>				
PWLB Loans	2	Discount contractual cash flows at the market rate for LA loans of the same remaining term	526,273	601,176
LOBOs	2	LOBOs, N.B. the balance at 31st March 2023 included a LOBO of £10m for Dudley and £10m for the WM fund. The WM £10m LOBO was repaid in 2023/24.	8,446	9,264
Other Market Loans	2	Discount contractual cash flows at the market rate for LA loans of the same remaining term		4,892
PFI Scheme Liabilities & Finance Lease Payables	2	Discount contractual cash flows at the market rate for PWLB annuity loans of the same remaining term	10,212	12,155
Other including Short Term Loans	2	Discount contractual cash flows at the market rate for a similar instrument of the same remaining term with a counterparty of similar credit standing	5,035	2,559
<b>Total Liabilities</b>			<b>549,966</b>	<b>630,046</b>

The authority's shareholding in Birmingham Airport - The valuation methodology used to arrive at the above figures is the 'earnings-based' approach, which should result in only appropriate and proportionate changes to the overall shareholding value. This method is considered to be reliable, consistent and will result in lesser volatility over the planning horizon, given the uncertainties inherent within the airport industry and the general economy as a whole. Earnings multiples are based on an average of the lower-quartile earnings and transaction multiples for the industry.

If there was a +/-5% change in the forecast earnings before interest, tax, depreciation and amortisation the impact on the valuation (for Dudley) would be +/-£2.7 million.

### **Nature and Extent of Risks Arising from Financial Instruments**

The Council's Treasury Policy Statement states that "the Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured." The Council's approach to the management of this risk is set out in its Treasury Management Practices and in its annually approved Treasury Strategy Statement.

The Council's treasury activities expose it to a variety of risks:

- **credit risk** – the possibility that other parties might fail to pay amounts due to the council.
- **liquidity risk** – the possibility that the council might not have funds available to meet its commitments to make payments.
- **market risk** – the possibility that financial loss might arise for the council as a result of changes in such measures as interest rates and stock market movements.

#### **Credit Risk**

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by the central treasury team, under policies approved by the Council in the Annual Investment Strategy. This Council provides written principles for overall risk management, as well as written policies for specific areas such as interest rate risk, credit risk and the investment of surplus cash. Credit risk arises from deposits with banks, other financial institutions from treasury activities, and credit exposures from trade customers

#### **Credit Risk Management Practices**

##### **Investments**

The Council manages credit risk by ensuring that investments are only placed with banks and financial institutions of high credit quality as detailed in the Treasury Management Strategy 2024-25.

These include commercial entities with a minimum short term credit rating of F1 (Fitch), P1 (Moody's), and A1 (Standard and Poors), as well as the UK government and other local authorities. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures including credit default swap, equity prices, economic fundamentals, sovereign support and market developments.

The Council's maximum exposure to credit risk in relation to its investments in banks and building societies cannot be assessed generally, as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all the Council's deposits, but no breaches of counterparty criteria occurred during the reporting period and the Council does not expect any losses in relation to its deposits.

Category of Investment	Maximum proportion of total investments	Amount of Investment at 31 March 2025
		£'000
<b>Specified Investments</b>		
Banks, building societies, and schemes with the credit ratings given above	No more than £15m with any one institution or group of banks	3,327
UK Government and other local authorities	No more than £10m with any one institution except the Government Debt Management Office which is not limited	0

### Trade Receivables

The Council's trade invoices are due in 30 days, so any debt over 30 days may be considered impaired. These debtors are subject to a collective assessment for the purpose of determining a loss allowance. A prudent loss allowance is made for these trade debtors based on historic collection rates, and a full loss allowance is made for unsecured debt which is more than 12 months and is not on an instalment plan. A loss allowance is not made for financial assets where the counterparty is central government or a local authority. Therefore, credit risk only arises on unpaid (non-government) debt over 30 days old for which no loss allowance has been made. The amounts in this category are shown below:

Age of debt	31 March	31 March
	2025	2024
	£'000	£'000
1 - 3 months	868	1029
3 - 12 months	1,387	1,093
> 12 months	1,310	1102
<b>Total overdue but no loss allowance made</b>	<b>3,565</b>	<b>3,224</b>

The Council has a rigorous policy for recovery of trade debtors including the use of external collection agents and legal debt recovery procedures and write offs are only considered when all reasonable recovery methods have been exhausted.

### Liquidity Risk

The Council has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Council has ready access to borrowings from the Public Works Loan Board, other local authorities, and financial institutions. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

### Market risk

The Council is exposed to the risk of interest rate movements on its borrowings and investments. It manages those risks as follows:

- The Council undertakes new long-term borrowing only where this is justified by its forecast cash flow over the current and following financial year.
- As part of its annual Treasury Strategy Statement, the Council sets limits for the proportion of its fixed borrowing maturing in different periods:

### Dudley Council

Maturity within:	Limit	31 March 2025	31 March 2025
	%	£'000	%
12 months	0-15%	20,000	3.14%
1-2 years	0-15%	15,000	2.35%
2-5 years	0-20%	55,000	8.62%
5-10 years	0-25%	98,216	15.40%
more than 10 years	50-100%	449,491	70.49%
<b>Total</b>		<b>637,707</b>	<b>100%</b>

	Limit	31 March 2025	31 March 2025
	%	£'000	%
Upper limit for fixed rate exposure	100%	637,707	99.99%
Upper limit for variable rate exposure	10%	35	0.01%
<b>Total</b>		<b>637,742</b>	<b>100%</b>

### West Midlands County Council

#### No limits set for West Midlands debt as only 1 year left to run

The WMDAF will close in March 2026 no new long-term loans will be required. The above indicator is based on the maturity of the remaining loans in the fund.

- Lenders Option Borrowers Option (LOBO) loans, which expose the Council to the risk that the lender will raise the interest rate at a point in the future represent 1.57% of the Council's long-term borrowing. Most of the remaining loans are fixed rate, which negates the need for a sensitivity analysis.
- The Council's strategy is not to enter an investment where its cash flow forecast indicates that as a result of that investment it would be necessary to borrow money in a future year that it would not otherwise have had to borrow.

The Council is exposed to price risk through its shareholding in Birmingham Airport, see [Note 39](#). The Council is consequently exposed to losses arising from movements in the prices of the shares. The shares are all classified as equity instruments as their acquisition constituted capital expenditure and their disposal would generate a capital receipt. Therefore, meaning that any movement in fair value would impact on gains and losses recognised in the Comprehensive Income & Expenditure Account. As the shareholding has arisen in the acquisition of specific interests, the Council is not in a position to limit its exposure to price movements by diversifying its portfolio.

The Council has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

The implicit interest rates within the finance lease elements of the unitary payments for PFI schemes are fixed for the duration of the schemes thereby limiting any exposure to external interest rate movement.

## **Note 20: Debtors**

An analysis of debtors which fall due within one year is shown below (all balances are net of impairment allowances):

	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>£'000</b>	<b>£'000</b>
Trade Debtors	39,540	36,359
HMRC Debtor Balances	5,170	2,257
Statutory Debtors (includes Council Tax, Business Rates and ex-WMCC debtors)	28,671	27,713
Housing Tenants	1,328	1,441
Other Debtors	0	0
Payments in Advance	51,642	5,823
<b>Total Short-term Debtors</b>	<b>126,351</b>	<b>73,593</b>

The value of debts impaired but not provided for is disclosed in [Note 19](#).

The debtors figures above are net of impairment loss allowances. These allowances are detailed below:

	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>£'000</b>	<b>£'000</b>
<b>Impairment Loss allowances</b>		
Council tax and NNDR (including costs)	23,623	19,829
Benefits Overpayments	2,365	2,782
Housing Debtors	1,510	1,563
Other Debtors	3,180	4,538
<b>Total Impairment Loss Allowances</b>	<b>30,678</b>	<b>28,712</b>

The table below analyses debtors which fall due after a period of at least one year. They include liabilities of West Midlands District Councils and Joint Boards to service debt formerly held by the West Midlands County Council (WMCC), under the terms of the Local Government Reorganisation (Debt Administration) (West Midlands) Order 1986 which designated Dudley as being responsible for the administration of the debt.

	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>£'000</b>	<b>£'000</b>
Ex WMCC Debtor Authorities	0	22,425
Non-Statutory Debtors	11,994	13,061
<b>Total Long Term Debtors</b>	<b>11,994</b>	<b>35,486</b>

**Note 21: Debtors for Local Taxation**

The past due but not impaired amount for local taxation (council tax and non-domestic rates) can be analysed by age as follows:

	<b>31 March 2025 £'000</b>	<b>31 March 2024 £'000</b>
Less than 1 year	3,370	3,732
1 - 2 years	2,029	2,848
2 - 6 years	432	624
<b>Totals</b>	<b>5,831</b>	<b>7,204</b>

**Note 22: Cash and Cash Equivalents**

	<b>31 March 2025 £'000</b>	<b>31 March 2024 £'000</b>
Cash Balances	2,590	(1,144)
Short-term deposits with approved bodies, etc.	3,307	3,399
<b>Total Cash and Cash Equivalents</b>	<b>5,897</b>	<b>2,255</b>

**Note 23: Assets Held for Sale**

	<b>2024/25</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
<b>Balance at start of year</b>	<b>15,641</b>	<b>2,594</b>
Assets newly classified as held for sale from Property, Plant and Equipment	0	14,355
Assets formerly classified as held for sale moved to Property, Plant and Equipment	0	0
Revaluation increases or (decreases) recognised in the Revaluation Reserve	0	0
Revaluation increases or (decreases) recognised in the Surplus / Deficit on Provision of Services	0	167
Assets Sold	0	(1,475)
<b>Balance at end of year</b>	<b>15,641</b>	<b>15,641</b>

**Note 24: Creditors**

An analysis of short-term creditors is shown below.

	<b>31 March</b>	<b>31 March</b>
	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Trade Creditors	105,156	62,522
HMRC Creditor balances	4,998	5,137
Statutory Creditors (Council Tax and Business Rates)	1,328	1,158
Tenants	400	339
Other Creditors	903	162
Receipts in Advance	13,384	11,256
<b>Total Short-term Creditors</b>	<b>126,168</b>	<b>80,574</b>

**Note 25: Provisions**

Provisions are raised where a liability has been incurred, and it is more likely than not that a payment will be required. Provisions are reviewed annually and returned to revenue if they are no longer required for their original purposes.

	Insurance	Business Rate Appeals	Termination Benefits	Other	Total
	£'000	£'000	£'001	£'000	£'000
<b>Balance at 31 March 2024</b>	<b>3,352</b>	<b>5,394</b>	<b>694</b>	<b>0</b>	<b>9,441</b>
Additional Provisions		1,604	15		<b>1,619</b>
Amounts Used	(218)	(1,998)	(204)		<b>(2,420)</b>
Unused Amounts Reversed			(490)		<b>(490)</b>
<b>Balance at 31 March 2025</b>	<b>3,134</b>	<b>5,000</b>	<b>15</b>	<b>0</b>	<b>8,150</b>
Shown as current liability in balance sheet	593	5,000	15		<b>5,609</b>
Shown as non-current liability in balance sheet	2,541				<b>2,541</b>
<b>Balance at 31 March 2025</b>	<b>3,134</b>	<b>5,000</b>	<b>15</b>	<b>0</b>	<b>8,150</b>

**Insurance**

The provision reflects the estimated value of known claims against the Council.

**Business Rate Appeals**

Under the current Business Rates Retention arrangements, the council is liable for 99% of refunds of business rates arising from appeals against the ratings list. The provision reflects an estimate of the likely cost of appeals.

**Termination Benefits**

The provision reflects the estimated value of any redundancies, other terminations and capitalised pension costs agreed or anticipated to be agreed after 31<sup>st</sup> March 2025.

**Note 26: Unusable Reserves**

These reserves reflect the difference in timing between the recognition of items in the Comprehensive Income and Expenditure Statement in accordance with proper accounting practice and their treatment as specified by statutory provisions. They are not therefore available for immediate use by the Council.

	<b>31 March 2025 £'000</b>	<b>31 March 2024 £'000</b>
Revaluation Reserve	356,042	366,805
Financial Instruments Revaluation Reserve	22,576	27,666
Capital Adjustment Account	812,994	842,245
Financial Instruments Adjustment Account	(5,762)	(6,312)
Pensions Reserve	(20,531)	(20,531)
Deferred Capital Receipts Reserve	3,471	3,580
Collection Fund Adjustment Account	(3,880)	(6,177)
Accumulated Absences Account	(4,343)	(2,350)
Dedicated Schools Grant Adjustment Account	(38,085)	(28,716)
<b>Total Unusable Reserves</b>	<b>1,122,482</b>	<b>1,176,210</b>

**Revaluation Reserve**

The Revaluation Reserve contains the gains made by Dudley arising from increases in the value of its Property, Plant and Equipment, Heritage Assets, Intangible Assets, and certain loans. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

	<b>2024/25 £'000</b>	<b>2023/24 £'000</b>	<b>2023/24 £'000</b>
<b>Balance at start of year</b>		<b>366,805</b>	<b>330,760</b>
Upward revaluation of assets	16,578		62,611
Downward revaluation of assets and impairment losses not charged to the surplus/deficit on the provision of services	(8,248)		(8,150)
<b>Surplus or deficit on revaluation of non-current assets not posted to the surplus or deficit on the provision of services</b>		<b>8,331</b>	<b>54,461</b>
Difference between fair value depreciation and historical cost depreciation	(5,333)		(4,881)
Accumulated gains on assets sold or scrapped etc.	(13,760)		(13,535)
<b>Amount written off to the Capital Adjustment Account</b>		<b>(19,093)</b>	<b>(18,416)</b>
<b>Balance at end of year</b>		<b>356,042</b>	<b>366,805</b>

### Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains made by Dudley arising from increases in the value of its investments that have no quoted market prices i.e., its shares in Birmingham Airport.

	2024/25		2023/24	
	£'000	£'000	£'000	£'000
<b>Balance at start of year</b>		<b>27,666</b>		<b>24,626</b>
Upward revaluation of investments	5,090		3,040	
Downward revaluation of investments not charged to the Surplus / Deficit on Provision of Services	-			
<b>Balance at end of year</b>		<b>22,576</b>		<b>27,666</b>

### Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by Dudley as finance for the costs of acquisition, construction, and enhancement.

The Account contains accumulated gains and losses on Investment Properties.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

[Note 1](#) provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

	2024/25		2023/24	
	£'000	£'000	£'000	£'000
<b>Balance at the start of the year</b>		<b>842,245</b>		<b>827,815</b>
<b>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</b>				
Charges for depreciation and amortisation of non-current assets	(56,917)		(51,719)	
Revaluation gain/(loss) on Property, Plant and Equipment	2,929		2,391	
Revenue expenditure funded from capital under statute	(13,388)		(10,726)	
Amounts of non-current assets written off on disposal or sale as part of the gain or loss on disposal to the Comprehensive Income and Expenditure Statement.	(37,099)		(36,280)	
Non cash sale proceeds from disposal of non-current assets				
<b>Sub-Total</b>		<b>(104,475)</b>		<b>(96,334)</b>
Adjusting amounts written out of the Revaluation Reserve (Depreciation and Disposal etc.)		19,093		18,416
<b>Net written out amount of the cost of non-current assets consumed in the year</b>		<b>(85,382)</b>		<b>(77,918)</b>
<b>Capital financing applied in the year</b>				
Use of the Capital Receipts Reserve to finance new capital expenditure	4,192		8,027	
Application of Capital Grants previously unapplied to finance new capital expenditure	(33,351)		5,737	
Use of the Major Repairs Reserve to finance new capital expenditure	32,118		25,250	
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	37,751		38,086	
Statutory & voluntary provision for the financing of capital investment charged against the General Fund and HRA balances	15,420		14,955	
Capital expenditure charged against the General Fund and HRA balances	0		431	
<b>Sub-total</b>		<b>56,131</b>		<b>92,486</b>
Write down of capital debtors		0		(138)
<b>Balance at end of year</b>		<b>812,994</b>		<b>842,245</b>

## Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

The Council uses the Account to manage premiums paid on the early redemption of loans, and the effects of granting loans in furtherance of council objectives at less than commercial rates of interest.

Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred but reversed out of the General Fund Balance to the Account in the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund Balance in accordance with statutory arrangements for spreading the burden on council tax. In Dudley's case, this period is the unexpired term that was outstanding on the loans when they were redeemed. As a result, the balance on the account at 31 March 2024 will be charged to the General Fund over the next 33 years.

	2024/25		2023/24	
	£'000	£'000	£'000	£'000
<b>Balance at start of year</b>		(6,312)		(6,895)
Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	550		583	
<b>Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements</b>		<b>550</b>		<b>583</b>
<b>Balance at end of year</b>		<b>(5,762)</b>		<b>(6,312)</b>

## Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. Dudley accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service; the liabilities recognised are updated to reflect inflation, changing assumptions and investment returns on resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as Dudley makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The statutory arrangements ensure that funding is set aside by the time the benefits come to be paid.

	2024/25		2023/24	
	£'000	£'000	£'000	£'000
<b>Balance at start of year</b>		<b>(20,531)</b>		<b>(22,840)</b>
Remeasurements of the net defined liability / asset	0		98,037	
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	0		(33,311)	
Employer's pensions contributions and direct payments to pensioners payable in the year	0		38,523	
Adjustment for IFRIC14	0		(100,940)	
<b>Balance at end of year</b>		<b>(20,531)</b>		<b>(20,531)</b>

### Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the proceeds recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Council does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

	2024/25		2023/24	
	£'000	£'000	£'000	£'000
<b>Balance at start of year</b>		<b>3,580</b>		<b>3,683</b>
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0		0	
Transfer to the Capital Receipts Reserve upon receipt of cash	(109)		(103)	
<b>Balance at end of year</b>		<b>3,471</b>		<b>3,580</b>

### Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax income in the Comprehensive Income and Expenditure Statement as it falls due from council tax and business rate payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

	2024/25		2023/24	
	£'000	£'000	£'000	£'000
<b>Balance at start of year</b>		<b>(6,177)</b>		<b>(3,599)</b>
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income & NNDR calculated for the year in accordance with statutory requirements	2,297		(2,578)	
<b>Balance at end of year</b>		<b>(3,880)</b>		<b>(6,177)</b>

### Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g., annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	2024/25		2023/24	
	£'000	£'000	£'000	£'000
<b>Balance at start of year</b>		(2,350)		(3,742)
Settlement or cancellation of accrual made at the end of the preceding year	2,350		3,742	
Amounts accrued at the end of the current year	(4,343)		(2,350)	
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		(1,993)		1,392
<b>Balance at end of year</b>		<b>(4,343)</b>		<b>(2,350)</b>

### Dedicated Schools Grant Adjustment Account

On the 6 November 2020, the secretary of state for Ministry of Housing, Communities and Local Government laid before Parliament a statutory instrument to amend The Local Authorities (Capital Finance and Accounting) Regulations (the 2003 Regulations). The provisions came into effect from 29 November 2020.

The instrument amends the 2003 Regulations by establishing new accounting practices in relation to the treatment of local authorities' schools budget deficits such that where a local authority has a deficit on its school's budget relating to its accounts for a financial year beginning on 1st April 2020, 1st April 2021, 1st April 2022 or 1st April 2023, it must not charge the amount of that deficit to a revenue account. The local authority must record any such deficit in a separate account established solely for the purpose of recording deficits relating to its school's budget. This is known as the Dedicated Schools Grant Adjustment Account. The new accounting practice has the effect of separating schools budget deficits from the local authorities' general fund for a period of three financial years.

	2024/25		2023/24	
	£'000	£'000	£'000	£'000
<b>Balance at start of year</b>		(28,716)		(22,081)
Schools Budget Deficit in year	(9,369)		(6,635)	
<b>Balance at end of year</b>		<b>(38,085)</b>		<b>(28,716)</b>

**Note 27: Capital Expenditure and Capital Financing**

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and similar contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

	<b>2024/25</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
<b>Opening Capital Financing Requirement</b>	<b>737,235</b>	<b>731,027</b>
<b>Capital Investment:</b>		
Property, Plant & Equipment	82,521	87,830
Intangible Assets	17	138
Heritage Assets	0	0
Capital Advances	0	0
Revenue Expenditure Funded from Capital under Statute	13,388	10,726
<b>Sources of Finance:</b>		
Capital receipts (including set aside to repay debt)	(4,192)	(8,027)
Government grants and other contributions	(4,401)	(43,823)
Sums set aside from revenue:		
Direct revenue contributions	0	(431)
Major repairs reserve	(32,118)	(25,250)
Minimum / Voluntary Revenue Provision	(15,420)	(14,955)
<b>Closing Capital Financing Requirement</b>	<b>777,030</b>	<b>737,235</b>
<b>Explanation of movements in year:</b>		
Capital expenditure funded by borrowing and credit unsupported by government financial assistance	55,216	20,100
Minimum/Voluntary Revenue Provision	(15,420)	(14,955)
<b>Increase / (Decrease) in Capital Financing Requirement</b>	<b>39,795</b>	<b>5,145</b>

**Capital Commitments**

At 31<sup>st</sup> March 2025, Dudley had entered into major contractual and other commitments relating to capital expenditure as follows:

	<b>2024/25</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
Housing	17,000	17,470
Environment	0	173
Schools and SEND	12,231	25,557
Regeneration and Corporate Landlord	4,716	6,798
Transport	1,328	3,386
Culture, Leisure and Bereavement	21	944
Other Projects	0	0
<b>Total</b>	<b>35,296</b>	<b>54,328</b>

## **Note 28: Defined Benefit Pension Schemes**

### **Participation in Pension Schemes**

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The council participates in two post-employment schemes:

- The Local Government Pension Scheme (LGPS), administered locally (West Midlands Pension Fund) by Wolverhampton City Council. This is a funded defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. Benefits earned before 1 April 2014 are based on final salary. Benefits earned after this date are to be based on career average revalued earnings.
- Arrangements for the award of discretionary post-retirement benefits upon early retirement. This is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due. The award of such discretionary benefits for LGPS ended in 2008, but some discretionary benefits continue to be granted to teachers. Some of the pensions are managed via the West Midlands Pension Fund (WMPF) and recharged to the Council; other are paid directly by the Council.

Regarding the WMPF, the Pension Fund Committee oversees the management of the Fund whilst the day-to-day fund administration is undertaken by a team within the administering authority. Where appropriate some functions are delegated to the Fund's professional advisers. WMPF, after consultation with the Fund Actuary (currently Barnett Waddingham) and other relevant parties, is responsible for the preparation and maintenance of the Funding Strategy Statement and the Investment Strategy Statement. These should be amended when appropriate based on the Fund's performance and funding. Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The actuarial valuation of the Fund has been carried out as at 31 March 2022 and has set contributions for the period from 1 April 2023 to 31 March 2026. There are no minimum funding requirements in the LGPS, but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

In general, participating in a defined benefit pension scheme means that the Employer is exposed to a number of risks:

- Investment risk. The Fund holds investments in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges.
- Interest rate risk. The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount future liability cashflows. As the Fund holds assets such as equities the value of the assets and liabilities may not move in the same way.
- Inflation risk. All the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation; and
- Longevity risk. If the members live longer than assumed a deficit will emerge in the Fund. There are also other demographic risks.

In addition, as many unrelated employers participate in the West Midlands Pension Fund, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

All the risks above may also benefit the Employer e.g., higher than expected investment returns or employers leaving the Fund with excess assets which eventually get inherited by the remaining employers.

### **Valuation data sources**

In completing calculations for pension accounting purposes in their reports of 31st May 2025, the fund actuary used the following items of data received from West Midlands Pension Fund:

-The results of the valuation as at 31 March 2022 which was carried out for funding purposes and the results of the 31<sup>st</sup> March 2022 IAS19 report which was carried out for accounting purposes;  
 -Estimated whole Fund income and expenditure items for the period to 31 March 2025.  
 -Fund investment returns for the period to 31<sup>st</sup> March 2025 (based on Fund cashflows and a net asset statement as at 31<sup>st</sup> March 2025).  
 -Estimated Fund income and expenditure in respect of the Employer for the period to 31<sup>st</sup> March 2025.  
 -Details of any new early retirements for the period to 31<sup>st</sup> March 2025 that have been paid out on an unreduced basis, which are not anticipated in the normal employer service cost.  
 -Details of any settlements for the period to 31<sup>st</sup> March 2025.  
 Although some of these data items have been estimated, the actuary did not believe that they are likely to have a material effect on the results of their report, nor were they aware of any material changes or events since receiving the data.

### Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment (retirement) benefits is reversed out of the General Fund via the Movement in Reserves Statement (MiRS). The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund and HRA Balances via the MiRS during the year:

Comprehensive Income and Expenditure Statement	Local Government		Discretionary Benefits Arrangements -	
	Pension Scheme - Funded		Unfunded	
	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000
<b>Cost of Services</b>				
Current service cost		34,305	0	0
Settlements (effect of transfers to other employers, e.g. academies)		(2,661)	0	0
Curtailments (effect of paying unreduced pensions on early retirement) and other costs		1,337	0	0
<b>Other Operating Expenditure</b>				
Pension Administration Expense		823	0	0
<b>Financing and Investment Income and Expenditure:</b>				
Net Interest Cost		(1,522)		1,029
<b>Total Post Employment Benefits Charged to the surplus or deficit on the provision on services</b>	<b>0</b>	<b>32,282</b>	<b>0</b>	<b>1,029</b>
<b>Other Post Employment Benefits (Credited) or Charged to the Comprehensive Income and Expenditure Statement:</b>				
Remeasurements (gains) and losses		(96,751)		(1,285)
Adjustments related to IFRIC14		100,940		
<b>Total Post Employment Benefits (Credited) or Charged to the Comprehensive Income and Expenditure Statement</b>	<b>0</b>	<b>36,471</b>	<b>0</b>	<b>(256)</b>

Movement in Reserves Statement	Local Government		Discretionary Benefits Arrangements - Unfunded	
	Pension Scheme - Funded			
	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000
Reversal of net charges made to the surplus or Deficit on the provision of Services for post employment benefits in accordance with the code	0	(32,282)	0	(1,029)
Actual amount charged against the General Fund Balance for pensions in the year:				
Employers' contributions payable to scheme		36,470		0
Retirement benefits payable to pensioners	0	0	0	2,053

### Assets and Liabilities in Relation to Post-employment Benefits

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

	Funded Liabilities: Local Government Pension Scheme		Unfunded Liabilities: Discretionary Benefits Arrangements	
	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000
	<b>Balance at start of year</b>	<b>1,471,479</b>	<b>1,464,290</b>	<b>20,531</b>
Current service cost		34,305	0	0
Interest on Pension Liabilities		69,276		1,029
Contributions by scheme participants		10,584	0	0
Remeasurements (gains) or losses		(51,601)		(1,285)
Benefits paid		(50,582)		(2,053)
Settlements		(6,953)	0	0
Administration Expense		823	0	0
Curtailments and other costs		1,337	0	0
<b>Balance at end of year</b>	<b>1,471,479</b>	<b>1,471,479</b>	<b>20,531</b>	<b>20,531</b>

Reconciliation of fair value of the scheme (plan) assets:

<b>Local Government Pension Scheme</b>	<b>2024/25</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
<b>Balance at start of year</b>	<b>1,605,032</b>	<b>1,496,904</b>
Interest on Plan Assets		70,798
Remeasurements gains or (losses)		45,150
Employer Contributions		36,470
Contributions by scheme participants		10,584
Settlements		(4,292)
Administration Expense		0
Benefits paid		(50,582)
<b>Balance at end of year</b>	<b>1,605,032</b>	<b>1,605,032</b>

### Scheme History

	<b>2024/25</b>	<b>2023/24</b>	<b>2022/23</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Present value of liabilities:</b>					
Local Government Pension Scheme	(1,471,479)	(1,471,479)	(1,464,290)	(2,071,068)	(2,212,998)
Discretionary Benefits Arrangements	(20,531)	(20,531)	(22,840)	(25,752)	(27,623)
<b>Fair value of assets:</b>					
Local Government Pension Scheme	1,605,032	1,605,032	1,496,904	1,555,244	1,450,821
<b>Surplus or (deficit) in the scheme:</b>					
Local Government Pension Scheme		133,553	32,614	(515,824)	(762,177)
Discretionary Benefits Arrangements	(20,531)	(20,531)	(22,840)	(25,752)	(27,623)
<b>Total</b>	<b>(20,531)</b>	<b>113,022</b>	<b>9,774</b>	<b>(541,576)</b>	<b>(789,800)</b>
To meet the requirements of IFRIC14	0	(133,554)	(32,614)	0	0
<b>Revised balance sheet net pension liability</b>	<b>(20,531)</b>	<b>(20,532)</b>	<b>(22,840)</b>	<b>(541,576)</b>	<b>(789,800)</b>

### Basis for Estimating Assets and Liabilities

To assess the value of the Employer's liabilities at 31 March 2025, the actuary has calculated the value of the Employer's liabilities based on the funding valuation as at 31 March 2022, using financial assumptions that comply with IAS19. The full actuarial valuation involved projecting future cashflows to be paid from the Fund and placing a value on them. These cashflows include pensions currently being paid to members of the Fund as well as pensions (and lump sums) that may be payable in future to members of the Fund or their dependants. These pensions are linked to inflation and will normally be payable on retirement for the life of the member or a dependant following a member's death.

It is not possible to assess the accuracy of the estimated value of liabilities as at 31 March 2025 without completing a full valuation. However, the actuary is satisfied that the approach of rolling forward the current valuation data to 31 March 2024 should not introduce any material distortions in the results provided that the actual experience of the Employer and the Fund has been broadly in line with the underlying assumptions,

and that the structure of the liabilities is substantially the same as at the latest formal valuation. From the information we have received there appears to be no evidence that this approach is inappropriate.

To calculate the asset, share the actuary has used the assets allocated to the Employer at 31 March 2022 allowing for investment returns (estimated where necessary), contributions paid into, and estimated benefits paid from, the Fund by and in respect of the Employer and its employees.

The actuary has adopted a set of demographic assumptions that are consistent with those used for the most recent Fund valuation, which was carried out as at 31 March 2022.

The principal assumptions used by the actuary have been:

	<b>31 March 2025</b>	<b>31 March 2024</b>
<b>Mortality assumptions:</b>		
<b>Life expectancy from 65 retiring today</b>		
Men		20.9
Women		23.8
<b>Life expectancy from 65 retiring in 20 years</b>		
Men		21.5
Women		25.1
<b>Financial Assumptions:</b>		
Rate of discounting scheme liabilities		4.85%
Rate of increase in pensions		2.75%
Rate of increase in salaries		3.75%

It has also been assumed that:

- Members will exchange pension to get 50% of the maximum available cash on retirement. For every £1 of pension that members commute, they will receive a cash payment of £12 as set out in the Regulations.
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age: and
- The proportion of the membership that had taken up the 50:50 option at the previous valuation date will remain the same.

The estimated average duration of the LGPS Past Service Liability duration is 18 years (31st March 2024, 18 years).

Financial assumptions have been set with reference to market conditions at 31 March 2025.

The standard assumption for salary growth is relative to CPI, using the same methodology as the Fund's most recent funding valuation.

The sensitivity of the liability to changes in major assumptions is included in Note 35 below.

## **Assets**

The estimated asset allocation for the Council as at 31<sup>st</sup> March 2025 is as follows:

### **Asset Breakdown** **31st March 2025**

	% Quoted	% Unquoted
<b>Debt Securities:</b>		
Corporate Bonds (investment grade)		
UK Government		
Other		
<b>Private equity:</b>		
All		
<b>Real Estate:</b>		
UK		
Overseas		
<b>Investment Funds and Unit Trusts:</b>		
Equities		
Infrastructure		
Other		
<b>Derivatives:</b>		
Foreign Exchange Derivatives		
Other		
<b>Cash and Cash Equivalentents</b>		
All		
	<b>0.00%</b>	<b>0.00%</b>

The actuary received the information from the administering authority (Wolverhampton City Council) regarding the detail of their assets as at 31<sup>st</sup> March 2025, representing the percentages of the total Fund held in each asset class (split by those that have a quoted market price in an active market, and those that do not).

The total Pension Fund assets at 31<sup>st</sup> March 2025 are as follows:

<b>Total Pension Fund Assets</b>	<b>31/03/2025</b>	<b>31/03/2025</b>
	<b>£'m</b>	<b>%</b>
UK Equities		
UK Fixed Interest Gilts		
UK Corporate Bonds		
UK Index Linked Gilts		
Overseas Equities		
Overseas Bonds		
Property		
Cash		
AVCs		
Net Current Assets		
Private Equity		
Infrastructure		
Absolute Return		
Derivatives - UK Gilt Future		
Derivatives - Equity Index		
Futures		
Income receivable		
Forward contracts		
Multi Asset Credit		
Emerging Market Debt		
Other Fixed Income		
Cash collateral		
<b>Total</b>	<b>-</b>	<b>100%</b>

Employee Membership Statistics

The table below shows the Council’s membership statistics at the time of the latest triennial valuation.

	<b>Number</b>	<b>Employee Contributions</b>	<b>Employer Contributions</b>
	<b>31-Mar-22</b>	<b>2024/25</b>	<b>2024/25</b>
		<b>£'000</b>	<b>£'000</b>
Actives			
Deferred Pensioners			
Pensioners			

**Note 28a: Contingent Liabilities**

## Cash Flow Statement Notes

### Note 29: Cash Flow Statement – Operating Activities

#### A. Adjust Net Surplus or Deficit on the Provision of Services for Non-Cash Movements

	2024/25	2023/24
	£'000	£'000
<b>Non Cash Movements</b>		
Depreciation and Amortisation	(56,917)	(51,719)
Revaluation	2,929	2,390
Carrying Amount of Non Current Assets Sold	(37,099)	(36,280)
Net Charges made for Retirement Benefits in Accordance with IAS 19	1,369	5,213
Other Non Cash Movements	3,930	(1,991)
Changes to Grants Received in Advance	220	2,820
Changes in Impairment of Bad Debts	1,054	(2,086)
Changes to Creditors	(42,398)	(7,426)
Changes to Debtors	23,658	(24,115)
Changes to Inventories		(1,221)
<b>Total Non-Cash Movements and Adjustments to the Net Surplus or Deficit</b>	<b>(103,254)</b>	<b>(114,415)</b>

#### B. Adjustments for items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities

	2024/25	2023/24
	£'000	£'000
Capital Grants Credited to the Surplus or Deficit on the Provision of Services	37,751	35,227
Proceeds from the Sale of Non-Current Assets	29,084	11,415
<b>Adjustments for Items Included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities Total</b>	<b>66,835</b>	<b>46,642</b>

#### Interest Received, Interest Paid and Dividends Received

	2024/25	2023/24
	£'000	£'000
Interest Paid	26,247	23,161
Interest Received	(3,027)	(1,820)
Dividends Received	(5,623)	(110)
<b>Total included in Net Cash Flows from Operating Activities</b>	<b>17,597</b>	<b>21,231</b>

**Note 30: Cash Flow Statement - Investing Activities**

	<b>2024/25</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	89,685	91,744
Purchase of Short Term and Long Term Investments	0	5,819
Proceeds from the sale of Property, Plant and Equipment, Investment Property and Intangible Assets	(29,084)	(11,415)
Proceeds from disposal of Short Term and Long Term Investments	(5,799)	(9,435)
Other Receipts from Investment Activities (capital grants and contributions)	(37,751)	(35,227)
<b>Net Cash Flows from Investing Activities</b>	<b>17,051</b>	<b>41,486</b>

**Note 31: Cash Flow Statement - Financing Activities**

	<b>2024/25</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
Cash Receipts of Short and Long Term Borrowing	(34,920)	(56,000)
Cash Payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	898	715
Repayment of short and long term borrowing	72,503	57,706
Other (receipts)/payments for financing activities	(683)	398
<b>Net Cash Flows from Financing Activities</b>	<b>37,798</b>	<b>2,819</b>

**Reconciliation of liabilities arising from Financing Activities**

	<b>1 April 2024</b>	<b>Financing Cash flows</b>	<b>Non-cash changes</b>	<b>31 March 2025</b>
			<b>Acquisition</b>	<b>Other non-cash changes</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Long term borrowings	662,377	6,706		669,083
Short-term borrowings	39,329	(8,411)		30,918
Lease Liabilities	4,749	(181)		(38) 4,530
On balance sheet PFI liabilities	6,362	(534)		0 5,828
<b>Total liabilities from financing activities</b>	<b>712,817</b>	<b>(2,420)</b>	<b>0</b>	<b>(38) 710,359</b>

	<b>1 April 2023</b>	<b>Financing Cash flows</b>	<b>Non-cash changes</b>	<b>31 March 2024</b>
			<b>Acquisition</b>	<b>Other non-cash changes</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Long term borrowings	655,671	6,706		662,377
Short-term borrowings	47,740	(8,411)		39,329
Lease Liabilities	4,968	(181)		(38) 4,749
On balance sheet PFI liabilities	6,896	(534)		0 6,362
<b>Total liabilities from financing activities</b>	<b>715,275</b>	<b>(2,420)</b>	<b>0</b>	<b>(38) 712,817</b>

## Other Notes

### **Note 32: Accounting Policies**

#### **1. General Principles and Changes for 2024/25**

The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. The Council is required to prepare an annual statement of accounts, in accordance with proper accounting practices, by the Accounts and Audit Regulations 2015. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code), supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

International Financial Reporting Standards (IFRS) 16 is effective from 1 April 2024 and provides guidance on accounting for leases.

The accounts have been prepared on a going concern basis, following a management assessment which concluded that the Council is likely to continue in existence for the foreseeable future.

Unless otherwise stated the convention used in this document is to round the amounts to the nearest thousand pounds. All totals are based on unrounded figures and, therefore, may not be the strict sums of the figures presented in the text or tables.

Throughout the Statements all credit balances are shown with parentheses e.g. (£1,234).

#### **Materiality**

As allowed under the Code, the concept of materiality has been utilised in preparing these accounts. Information is material if omitting or misstating it could influence the decisions that users may make on the basis of the accounts. In other words, materiality is specific to both the magnitude and the nature of the item to which the information relates, when considered in the context of the individual organisation's financial statements. The Code permits authorities not to comply with specific disclosure requirements or accounting principles where the information is not material to the 'true and fair' view of the financial position, financial performance and cash flows of the authority, and to the understanding of users.

This principle is applied by the council when determining that group accounts are not required for publication.

#### **2. Accruals of Income and Expenditure**

Activity is accounted for in the year in which it takes place, not when money is paid or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed; where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest payable on borrowings and receivable on investments is accounted for respectively as income and expenditure based on the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Income and expenditure are credited and debited to the relevant service revenue account unless they properly represent capital receipts or capital expenditure.
- Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Where debts may not be

settled, the balance of debtors is written down, and a charge made to revenue for the income that might not be collected.

- Revenue relating to council tax and business rates are measured at the full amount receivable (net of any impairment losses) as they are non-contractual, non-exchange transactions, and are recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the authority and the amount of the revenue can be measured reliably.

The Council has set a general de minimis level for accruals of creditors and debtors that are calculated manually in order to avoid additional time and cost in estimating and recording accruals.

This level is reviewed annually and has been set at £10,000 for 2024/25. If a payment or receipt is split across different cost centres, the limit is for the whole payment or receipt.

Exceptions to this de minimis rule where accruals are made in full are:

- Qualifying expenditure upon which income from government grant or other third parties is dependent and associated grant income, where the grant funding would be lost if the accrual is not made
- Invoices for substantially the same supply or service that are chargeable to the same service area are aggregated where their total is over £10,000.
- Automated accruals which are calculated using the Corporate Financial systems (UNIT 4 Business World and the Central Utilities database) or other systems within directorates.

### 3. Provisions and Contingent Liabilities

Provisions are made for liabilities that have been incurred but are of uncertain timing or amount. There are three criteria:

- the council has a present obligation (legal or constructive) as a result of a past event.
- it is probable (i.e., more likely than not) that money will be needed to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

If any of these criteria are not met, no provision will be made in the accounts, but a contingent liability may be disclosed in a note. Where the liability is due to be settled within the next financial year, the provision is shown as a current liability in the balance sheet. Otherwise, provisions are shown as long-term liabilities.

The obligation can be “constructive” e.g., the council has publicly expressed an intention to do something, and other parties have acted in expectation of this.

Provisions are charged to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the council becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. Details of provisions held at 31 March 2025 are shown in Note 25 to the statements.

When payments are eventually made, they are charged to the provision carried in the balance sheet. Estimated obligations are reviewed at the end of each financial year; where it becomes less than probable that money will be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service revenue account.

#### Contingent Liabilities

A contingent liability arises where an event has taken place that gives the council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the balance sheet but where material are disclosed in note 29 of the statements.

### 4. Reserves

The council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance (GFB) in the Movement in Reserves Statement (MiRS). When expenditure to be financed from a reserve is incurred, it is charged to

the appropriate service revenue account in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the GFB through the MiRS so that there is no net charge against council tax for the expenditure.

Reserves designated as Local Management of Schools relate to preserved funds of schools for use in future years, under the terms of Dudley's *Scheme for Financing Schools*. These reserves are committed to be spent in the education service and are not available to the council for general use.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the council – these reserves are explained in the relevant policies below and are summarised on the balance sheet as unusable reserves.

## 5. Government and other Grants and Contributions

Government grants and third-party contributions and donations are recognised as due to Dudley at the date that there is reasonable assurance that the monies will be received and that any conditions will be satisfied but will not be credited to the Comprehensive Income and Expenditure Statement (CIES) until any conditions are satisfied. Conditions are stipulations that allow the grant-giver to recover the grant if it is not used as specified.

Monies advanced to the Council as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors; where there is reasonable assurance that the conditions will be complied with, in the grouping Grants Receipts in Advance. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or to Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants) in the CIES.

Capital grants and contributions are treated in a similar way, i.e., they are credited to CIES as Taxation and Non-specific Grant Income as soon as any conditions are complied with and there is reasonable assurance that the money will be received.

Any capital grants or contributions received with conditions where the council does not have reasonable assurance that those conditions will be complied with are carried in the balance sheet as creditors: where there is reasonable assurance that the conditions will be complied with, in the Capital Grants Receipts in Advance account.

Where capital grants and contributions are credited to the CIES, they are reversed out of the General Fund balance through the Movement in Reserves Statement (MiRS) to the Capital Adjustment Account (CAA).

## 6. Employee Benefits

### Benefits Payable during Employment

Short term employee benefits, i.e., those due to be settled within 12 months of the year end, include wages and salaries, paid annual leave, and paid sick leave, and bonuses. They are recognised as an expense for services in the year in which employees render service to the council. An accrual is made for the cost of entitlements (e.g., for holidays or flexi leave) earned but not taken before the year-end, which employees can carry forward into the next financial year. The accrual is made at the rates applicable in the year in which the entitlement is earned, being a reasonable approximation to the rates in the following year in which the employee will take the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services (SDPS) in the Comprehensive Income and Expenditure Statement (CIES) but then reversed out through the Movement in Reserves Statement (MiRS), so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

### Termination Benefits

Termination benefits are amounts payable because of a decision by the council to terminate an officer's employment before the normal retirement date, or an officer's decision to accept voluntary redundancy. They are charged on an accrual's basis to the appropriate service line, or to the Non-Distributed Costs line in the CIES, at the point when the council has communicated a detailed plan for the termination of the employment of an officer or group of officers, or for offers to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, e.g., through early access to earned pension, statutory provisions require the General Fund Balance to be charged with the amount payable by

the council to the pension fund or pensioner in the year, not the amount calculated according to accounting standards. To achieve this, appropriations in the MiRS are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid or payable to the pension fund and pensioners.

### Post-Employment Benefits

Employees of the council are entitled to be members of one of three separate pension schemes:

- The Teachers' Pension Scheme, administered by Teachers' Pensions on behalf of the Department for Education (DfE).
- The NHS Pension Scheme, administered by NHS Business Services Authority (for staff who transferred with the Public Health function).
- The Local Government Pension Scheme, administered by Wolverhampton City Council as the West Midlands Pension Fund.

All three schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees worked for the council. However, the arrangements for the Teachers' and NHS schemes mean that liabilities for these benefits cannot be identified to the council. These schemes are therefore accounted for as if they were defined contributions schemes – no liability for future payments of benefits is recognised in the balance sheet. The Children's and Education Services and Public Health revenue accounts are charged with the employer's contributions payable to Teachers' and NHS Pension Schemes in the year. Details are given in [Note 11](#) to the statements.

### The Local Government Pension Scheme

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the West Midlands Pension Fund attributable to the council are included in the balance sheet on an actuarial basis, i.e., an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, and projections of future increases in pensions and salaries.

Liabilities are discounted to their value at current prices, using a discount rate based on the rate of return on high quality corporate bonds of appropriate period.

The assets of the West Midlands Pension Fund attributable to the Council are included in the balance sheet at their fair value. Details are given in [Note 28](#) to the statements. Quoted securities held as assets in the scheme are valued at bid price.

The annual change in the net pension's liability is analysed as follows:

Service costs:

- current service cost – the increase in liabilities as a result of years of service earned this year - allocated in the CIES to the revenue accounts of the services for which the employees worked
- past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years, and curtailments or events that reduce the expected future service or accrual of benefits of employees – debited to the SDPS in the CIES
- any gain or loss on settlement (the result of actions to relieve the council of liabilities) – credited or debited to the SDPS in the CIES.

Interest Income or Expense:

- Net interest on net defined liability – the change during the period in the net defined benefit liability or asset that arises from the passage of time. It comprises interest income on the plan assets, net of interest cost on the defined benefit obligation – debited or credited to Financing and Investment Income and Expenditure in the CIES.

Remeasurements:

- return on plan assets, less items included in the net interest above – credited to Other Comprehensive Income and Expenditure (OCIE) in the CIES.
- remeasurement of the net defined liability – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – recognised in OCIE in the CIES.

Contributions paid by the employer:

- employer's contributions paid to the West Midlands Pension Fund – not accounted for as an expense.

Statutory provisions in relation to retirement benefits require the council to charge General Fund with the amounts payable by the council to the pension fund in the year. This means that in the MiRS there are appropriations to and from the Pensions Reserve to remove the relevant notional debits and credits for retirement benefits and replace them with debits for the amounts payable to the pension fund. The negative balance on the Pension Reserve measures the beneficial effect on the General Fund and HRA of accounting for pensions based on amounts payable, rather than a calculation of benefits earned.

### **Discretionary Benefits**

The council has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

## **7. VAT**

Only irrecoverable VAT is charged in the accounts.

## **8. Overheads and Support Services**

The costs of overheads and support services are charged to those that benefit from the supply or service.

## **9. Property, Plant and Equipment (PPE) excluding Infrastructure Assets**

Assets that have physical substance and are held for use in or supply of services or the production of goods, for rental to others, or for administrative purposes, and that are expected to be used during more than one financial year, are classified as Property, Plant and Equipment.

### **Recognition**

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accrual's basis, providing that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred.

### **Measurement**

Assets are initially measured at cost, comprising:

- the purchase price.
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- 

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of an asset acquired other than by purchase is deemed to be its current value, unless the acquisition does not have commercial substance (i.e., it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Assets are then carried in the Balance Sheet using the following measurement bases:

- community assets (except land) – depreciated historical cost
- assets under construction and community assets land – historical cost
- dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH)
- Surplus and Investment assets - fair value by using the asset in its highest and best use.
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

For non-property assets (e.g., vehicles) that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Assets included in the Balance Sheet at current value are revalued on a rolling programme, sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Gains are credited to the CIES where they reverse a loss previously charged to the SDPS. Property assets that fall below the de-minimis level of £40,000 are not subject to valuation, they are however reviewed annually as part of the impairment review carried out by the valuer. However, there is not a formal de-minimis for initial recognition of assets.

Where decreases in value are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the CIES.

The Revaluation Reserve contains only revaluation gains recognised since 1 April 2007, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

### Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where such indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the CIES.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

### Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. Depreciation is charged from the year after capitalisation and in full in the year of disposal. An exception is made for assets without a determinable finite useful life (i.e., freehold land and Community Asset land) and assets that are not yet available for use (i.e., assets under construction).

Assets are depreciated using the following methods and over the following periods:

Asset Type	Depreciation Method	Period of Years
Buildings	Straight line	Useful Economic Life, up to 70 years
Mobile Plant & Vehicles	Straight line	Useful Economic Life, usually between 5 and 20 years*
Council Dwellings	Based upon major components' replacement cost allocated on a straight-line basis over the useful life of each component. The difference between the sum of the total value of the component elements and the	Useful Economic Life of components and residual value which are between 15 and 100 years

	EUV-SH valuation is the residual value which is depreciated on a straight-line basis over 100 years	
--	---	--

\* The main exception to this useful life is when vehicles have been purchased at the end of a lease and their remaining life is deemed to be less than 5 years.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

### Components

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately, unless the difference to the depreciation charge would not be significant.

For major newly built assets, and identifiable new blocks, over £1m in cost, and as assets are revalued through the five-year rolling programme, an assessment for significant components is made by the property professionals.

At post-completion review of major enhancement or refurbishment schemes, an assessment will be made of the carrying value of any identifiable parts removed. If these have a value over £40k, they will be formally derecognised from the balance sheet. If the host asset has a life longer than 30 years, and a value above £2.5m, then the new spend will be set up as a component.

### Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, and it is probable that the sale will be completed within 12 months, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and current value less costs to sell. Where there is a subsequent decrease to current value less costs to sell, the loss is posted to the Other Operating Expenditure line in the CIES. Gains in current value are recognised only up to the amount of any losses previously recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale, adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the CIES also as part of the gain or loss on disposal (i.e., netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing dwellings disposals is payable to the Government. The balance of receipts is required to be credited to the Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund and Balances in the Movement in Reserves Statement (MiRS).

The written-off value of disposals is not a charge against council tax, as the cost of Plant, Property, and Equipment is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the MiRS.

## 9a. Highways Network Infrastructure Assets

Highways network infrastructure assets include carriageways, footways and cycle tracks, structures (e.g. bridges), street lighting, street furniture (e.g. illuminated traffic signals, bollards), traffic management systems and land which together form a single integrated network.

### Recognition

Expenditure on the acquisition or replacement of components of the network is capitalised on an accrual basis, provided that it is probable that the future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably.

### Measurement

Highways network infrastructure assets are generally measured at depreciated historical costs. However, this is a modified form of historical costs – opening balances for highways infrastructure assets were originally recorded in balance sheets at amounts of capital undischarged for sums borrowed as at 1 April 1994 which was deemed at that time to be historical cost. Where impairment losses are identified they are accounted for by the carrying amount of the asset being written down to the recoverable amount.

### Depreciation

Depreciation is provided on the parts of the highways network infrastructure assets that are subject to deterioration or depletion and by the systemic allocation of their depreciable amounts over their useful lives. Annual depreciation is the depreciation amount allocated each year. Depreciation is first charged the year after capitalisation. Useful lives of the highways network are assessed by the Head of Traffic, transportation and Engineering using industry standards where applicable as follows and the useful lives typically used are:

Part of the Highways Network	Useful Life
Carriageways	20 years
Footways and Cycle Tracks	30 years
Structures (bridges, tunnels)	80 years
Street Lighting	30 years
Street Furniture	40 years
Traffic Management Systems	20 years

There are some infrastructure assets still held on balance sheet with a useful life of 10 years which were capitalised before this revised policy was adopted, the gross book value of these assets is less than £500k.

### Disposals and Derecognitions

When a significant component of the Network is disposed of or decommissioned, the carrying amount of the component in the balance sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement, also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Where a part of the network is replaced, an adaptation provided in a separate update to the Code assumes that from the introduction of the IFRS based Code when parts of the asset are replaced or restored the carrying amount of the derecognised part will be zero because parts of infrastructure assets are rarely replaced before the part has been fully consumed.

In accordance with the Temporary Relief offered by the update to the Code on infrastructure assets this note does not include a disclosure of gross costs and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position (as rather than manually derecognising infrastructure components as they are replaced we assume (as per adoption of the Statutory Instrument issued by DLUHC in December 2022) that the assets being replaced have a gross book value of nil). We are assured that this is the case because we have reviewed the useful lives used and believe that overall assets are being replaced in line with the useful lives proposed in the accounting policy.

## 10. Intangible Assets

Expenditure on assets that do not have physical substance but are identifiable and controlled by the council (e.g., software licences) is capitalised when it will bring benefits to the council for more than one financial year. Such assets are usually short-lived, and as such are not revalued. The intangible asset balances are amortised to the relevant service revenue account over the economic life of the assets, using the straight-line method over 5 years, to reflect the pattern of consumption of benefits.

## 11. Charges to Revenue for Non-current Assets (Property, Plant, and Equipment, and Intangible Assets)

Service revenue accounts, support services and trading accounts are debited with the following amounts to record the real cost of holding plant, property, and equipment during the year:

- depreciation attributable to the assets used by the relevant service.
- impairment and revaluation losses which exceed any balance of accumulated gains in the Revaluation Reserve against which they can be written off.
- amortisation of intangible assets attributable to the service.

The council is not required to cover depreciation, impairment and revaluation losses, or amortisation from amounts raised from council tax. However, it is required to make an annual “Minimum Revenue Provision” (MRP) from revenue towards the reduction in its overall borrowing requirement (equal to an amount calculated on a prudent basis determined by the council in accordance with statutory guidance). Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the MRP charge to the General Fund Balance, by way of adjusting transactions with the Capital Adjustment Account in the Movement in Reserves Statement.

For the Housing Revenue Account there is no MRP requirement, but an amount equal to depreciation is required by regulations to be transferred to the Major Repairs Reserve; thus, depreciation is effectively a charge to the HRA to be met from rent income.

## 12. Revenue Expenditure Funded from Capital under Statute (REFCUS)

Legislation in England and Wales allows some expenditure to be classified as capital for funding purposes although it does not result in the creation of a non-current asset. The purpose of this is to enable it to be funded from capital resources rather than be charged to the General Fund and impact on that year's council tax. These items are generally grants and expenditure on property not owned by the council, and amounts directed under section 16(2) of Part 1 of the Local Government Act 2003. Such expenditure is charged to the CIES in accordance with the general provisions of the Code. Any statutory provision that allows capital resources to meet the expenditure is accounted for by debiting the Capital Adjustment Account and crediting the General Fund Balance through the Movement in Reserves Statement (MiRS).

## 13. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant, or equipment from the lessor to the lessee. (For vehicles, this applies when vehicles are leased for the greater part of their working lives.) All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

### The Council as Lessee, i.e., paying for the use of assets

#### Finance Leases

Property, plant, and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid

on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the council at the end of the lease period). The Council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore, replaced by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

### **Operating Leases**

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a rent-free period at the commencement of the lease).

### **The Council as Lessor i.e., receiving rents for property**

#### **Finance Leases**

Where the Council grants a finance lease over a property or an item of equipment, the asset is disposed of from the balance sheet and a long-term debtor is created. Lease payments received are apportioned between:

- principal repayment used to write down the debtor
- financing income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement)

#### **Operating Leases**

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

### **14. Financial liabilities**

Financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Comprehensive Income and Expenditure Statement (CIES) for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest payable). Interest charged to the CIES is the amount payable for the year in the loan agreement.

Discounts and premiums on the repurchase or early settlement of borrowing are credited and debited to Net Operating Expenditure in the CIES in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost

of the new or modified loan and the write-down to the CIES is spread over the life of the loan by an adjustment to the effective interest rate.

Regulations allow the impact of premiums and discounts on the General Fund Balance to be spread over future years. This is managed by a transfer to or from the Financial Instruments Adjustment Account, through the Movement in Reserves Statement.

## 15. Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL); and
- fair value through other comprehensive income (FVOCI)

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those contractual payments that are not solely payment of principal and interest (i.e., where the cash flows do not take the form of a basic debt instrument).

### Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. This means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

The Council has one soft loan made to Dudley Zoo at zero interest but the present value of the interest that will be foregone is not material enough to record an annual loss in the CIES over the life of the soft loan.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

### Expected Credit Loss Model

The Council evaluates expected credit losses on all of its financial assets held at amortised cost either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables. Only lifetime losses are recognised for trade receivables (debtors) held by the Council, which are subject to a collective assessment.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

All the Council's financial assets, excluding trade receivables, were deemed to be low risk at the Balance Sheet date so only 12-month expected credit losses were evaluated, and these were not material enough to justify charging loss allowances to the CIES.

### Financial Assets Measured at Fair Value through Profit of Loss

The Council has no financial assets measured at Fair Value through Profit of Loss.

### Financial Assets Measured at Fair Value Through Other Comprehensive Income

The Council has an equity investment in Birmingham Airport shares. These shares are a long-term strategic investment held to support the wider provision of local and regional public services and to receive regular dividend income rather than for capital growth or to sell. Therefore, the Council has elected to take up the option to designate the shareholding as an equity instrument at fair value through other comprehensive income as this is more likely to present a true and fair view of its financial performance, than presenting changes in fair value in the surplus or deficit on provision of services.

Dividends in respect of the shares are credited to Financing and Investment and Expenditure line in the CIES. Changes in fair value are balanced by an entry in the Financial Instruments Revaluation Reserve.

#### **16. Inventories (Stocks and Stores)**

Inventories are included in the balance sheet at the lower of cost and net realisable value, except those inventories of items to be distributed without charge which are valued at the lower of cost and current replacement value. The accounting policy for the treatment of stocks and stores was amended for 2021/22 Statement of Accounts with the introduction of a £50,000 de minimis for stock. In practice the de minimis won't impact on the necessity to keep accurate stock levels. However, it will mean we will no longer account for stock levels below £50,000 on the balance sheet.

#### **17. Interests in Companies and Other Entities**

The council has no material interests in companies and other entities that have the nature of subsidiaries, associates and jointly controlled entities that require it to prepare group accounts. Information relating to individual companies is shown in [Note 39](#) to the statements.

#### **18. Private Finance Initiative (PFI) and similar schemes**

PFI contracts are agreements to receive services, where the responsibility for making available the plant, property and equipment needed to provide the services passes to the PFI contractor. In cases where the Council is deemed to control the services that are provided, and where ownership of the fixed asset will pass to the Council at the end of the contract without further payment, the Council has included these assets in the balance sheet. Details are shown in [Note 38](#) to the statements.

The entries are calculated as if the original recognition of the plant, property and equipment was balanced by a liability for amounts due to the scheme operator to pay for the assets.

Plant, property, and equipment recognised on the balance sheet is revalued and depreciated in the same way as any other Council-owned property.

Payments made by the Council under PFI contracts are analysed as follows:

- fair value of services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement (CIES).
- finance cost – an interest charge on the outstanding Balance Sheet liability, debited to Interest Payable in the CIES.
- payment towards liability – applied to write down the Balance Sheet liability to the PFI or another contractor.
- Contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the CIES.

Where an asset financed by a PFI scheme is transferred to an academy, responsibility for the payment of the unitary charge remains with the Council. The asset is removed from the Council's balance sheet, but the PFI liability will remain with Council and continue to be written down over the length of the PFI contract, funded by PFI credits and contributions from the academy.

#### **PFI Credits**

Government Grants received for PFI schemes, in excess of current levels of expenditure, are carried forward as an earmarked reserve to fund future contract expenditure. The grant is treated as a general grant in the CIES.

#### **19. Accounting for Council Tax**

The Council Tax income included in the CIES is the accrued income for the year, and not the amount required under regulation to be transferred from the Collection Fund to the General Fund (the Collection Fund Demand). The difference is taken to the Collection Fund Adjustment Account through the MiRS.

As the collection of Council Tax for preceptors (the West Midlands Police & Crime Commissioner, and West Midlands Fire & Rescue Authority) is an agency arrangement, the cash collected belongs proportionately to Dudley as the billing authority and to the preceptors. This gives rise to a debtor or creditor position for the difference between cash collected from taxpayers and cash paid to preceptors under regulation.

## 20. Accounting for Collection of Business Rates

Dudley collects Business Rates partly as an agent for the Fire & Rescue Authority (1%), and partly on its own account (99%). As with council tax, the cash collected belongs proportionately to Dudley as the billing authority, and to central government and the Fire & Rescue Authority as preceptors. This gives rise to a debtor or creditor position for the difference between cash collected from taxpayers and cash paid to preceptors under regulation.

## 21. Cash and Cash Equivalents

Cash in hand, cash in bank, and cash in call accounts, are counted as cash equivalents, as readily converted to a fixed amount of cash.

## 22. Heritage Assets

The Council's Heritage Assets are held in support of the objectives of increasing knowledge, understanding and appreciation of the Borough's history and the local area. Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment, with some relaxations shown below.

Asset type	Accounting Treatment
Collections of art, glass, geological items and related archive materials held in the museums	Insured value which is based on market values.
Local archive collections held in the new Archive Centre in Tipton Road.	Not included in the accounts, as there is neither acquisition cost nor value associated with most of these items.
Historic Landscapes, particularly The Leasowes, and Wrens Nest National Nature Reserve.	Held at cost, which largely consists of recent works of restoration and development.
Statues and other art works in parks and public spaces, art works associated with road schemes, war memorials	Held at an internal valuation, where the value can be reasonably estimated, or at cost if that is known.
Local nature reserves which are also public parks, such as Saltwells and Fens Pools.	Treated as operational assets, not as heritage assets.

## 23. Accounting for Schools

In line with accounting standards and the Code on group accounts and consolidation, all maintained schools in the borough are now considered to be entities controlled by the council. Rather than produce group accounts the income, expenditure, assets, liabilities, reserves and cash flows of each school are recognised in the council's single entity accounts.

Academies are not maintained schools in the council's control. The land and building assets are not owned by the council and not included on the council's balance sheet.

## 24. Prior Period Adjustments

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, that is, in the current and future years affected by the change and do not give rise to a prior period adjustment.

Material errors in prior periods are corrected retrospectively by amending opening balances and comparative amounts for the prior period. A full disclosure as to the nature, circumstance and value of the adjustment will be disclosed in the notes to the accounts.

### **Note 33: Accounting Standards that have been issued but have not yet been adopted**

The following new standards and amendments to existing standards have been published but not yet adopted by the Code of Practice of Local Authority Accounting in the United Kingdom and will form part of the code in 2025/26

- a) IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
- b) IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.
- c) The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy

### **Note 34: Critical Judgements in Applying Accounting Policies**

In applying the accounting policies set out in [Note 32](#) to the statements, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

1. The Council has assessed the legal framework underlying each type of school and determined the treatment of non-current assets within the financial statements on the basis of whether it legally owns or has some responsibility for, control over or benefit from the service potential of the premises and land occupied

The Council has considered its accounting arrangements for each school, on a case-by-case basis, under the terms of:

- a. IAS16 – Property, plant, and equipment
- b. IFRS 17 – Leases
- c. IFRIC 4 – Determining whether an arrangement contains a lease
- d. LAAP Bulletin 101 – Accounting for Non-Current Assets used by the local authority

Schools are only included in the balance sheet in so far as the Council has legal ownership, or if ownership is with a trust which must allow the premises to be used by the school. Thus, voluntary aided schools and some of the voluntary controlled schools are excluded, although they are used in providing education within the Borough.

All maintained schools in the borough are now considered to be entities controlled by the council. Rather than produce group accounts the income, expenditure, assets, liabilities, reserves, and cash flows of each school are recognised in the council's single entity accounts.

The list of maintained schools held on / off the Council's balance sheet at 31<sup>st</sup> March 2025 is shown in the following table:

	On Balance Sheet	Off Balance Sheet
Maintained Schools:		
Community	42	
Foundation Schools	1	3
Voluntary Controlled *	2	1
Voluntary Aided		5
<b>Total Maintained Schools</b>	<b>45</b>	<b>9</b>
Academies		53
<b>Total Schools</b>	<b>45</b>	<b>62</b>

	On Balance Sheet	Off Balance Sheet
Maintained Schools:		
Community	42	
Foundation Schools	1	3
Voluntary Controlled *	2	1
Voluntary Aided		5
<b>Total Maintained Schools</b>	<b>45</b>	<b>9</b>
Academies		53
<b>Total Schools</b>	<b>45</b>	<b>62</b>

\* Note that although for some of the voluntary controlled schools the school buildings are not on the Council's Balance Sheet, playgrounds and playing fields are.

- The Better Care Fund was introduced to drive the transformation of local services and to be operated through pooled budget arrangements between the council and the NHS Black Country Integrated Care Board (ICB). The Council has applied the principle of substance over form so that the level of expenditure allocated to each partner reflects the degree of control and influence over that spend during the year (the 'substance') rather than allocating on the basis of control and influence outlined in the BCF agreement (the 'form') In accounting for the pooled resources, activity where funding was received and expended under the control of the Council has been accounted for in its accounts.

### **Note 35: Assumptions Made About the Future, and Other Major Sources of Estimation Uncertainty**

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31<sup>st</sup> March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

- Pensions Liability. Estimation of the net pension liability to pay pensions (calculated in accordance with IAS 19) depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the council with expert advice about the assumptions to be applied. (Details of the assumptions used are given in [Note 28](#)). New information can lead to changes to these judgements, which could lead to material adjustments.

The effect on the liability of changes in individual assumptions would be as follows.

£m

-0.1% per annum discount rate  
 +0.1% per annum pension increase  
 +0.1% long term salary increase  
 1 year increase in life expectancy

- Valuation of Council dwellings and other land and buildings. All Council dwellings were revalued as at 31<sup>st</sup> March 2025. A large proportion of other land and buildings and surplus assets (and all assets held for sale) were also revalued as at 31<sup>st</sup> March 2025. The valuations are heavily sensitive to assumptions and are influenced by economic circumstances that can change significantly year on year. There wouldn't be one assumption that would affect all assets and therefore sensitivity analysis in this area would not be possible for this.

### **Note 36: Events after the Balance Sheet Date**

The Statement of Accounts was authorised for issue by the **Interim Director of Finance on 17<sup>th</sup> June 2025**. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31<sup>st</sup> March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

### **Note 37: Leases**

#### **Council as Lessee, i.e., paying for use of assets**

#### **Finance Leases**

Dudley has acquired a number of buildings under finance leases.

The assets acquired under these leases are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts:

<b>Assets Acquired</b>	<b>31 March 2025 £'000</b>	<b>31 March 2024 £'000</b>
Other Land and Buildings	0	1,473
Vehicles, Plant, Furniture and Equipment	0	0
<b>Total</b>	<b>0</b>	<b>1,473</b>

Dudley is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired by Dudley and finance costs that will be payable by Dudley in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

<b>Cash Flows</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
-------------------	--------------------------	--------------------------

	£'000	£'000
Finance lease liabilities (net present value of minimum lease payments):		
Current	255	236
Non-Current	4,258	4,513
Finance costs payable in future years	3,053	3,409
<b>Minimum lease payments</b>	<b>7,566</b>	<b>8,158</b>

The actual minimum lease payments will be payable over the following periods:

<b>Actual Minimum Lease Payments and Associated Liabilities</b>	<b>Minimum Lease Payments</b>		<b>Finance Lease Liabilities</b>	
	<b>31-Mar 2025 £'000</b>	<b>31-Mar 2024 £'000</b>	<b>31-Mar 2025 £'000</b>	<b>31-Mar 2024 £'000</b>
Not later than one year	593	593	255	236
Later than one year and not later than five years	2,053	2,133	888	893
Later than five years	4,920	5,433	3,371	3,620
<b>Total</b>	<b>7,566</b>	<b>8,159</b>	<b>4,513</b>	<b>4,749</b>

### **Operating Leases**

The Council has rented a number of properties by entering into operating leases.

The future minimum lease payments due under non-cancellable leases in future years are:

	<b>31 March 2025 £'000</b>	<b>31 March 2024 £'000</b>
Not later than one year	279	201
Later than one year and not later than five years	161	179
Later than five years	97	133
<b>Total Minimum lease payments</b>	<b>538</b>	<b>513</b>

The expenditure charged to service lines in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

	<b>31 March 2025 £'000</b>	<b>31 March 2024 £'000</b>
Minimum lease payments	304	380
<b>Total Minimum lease payments</b>	<b>304</b>	<b>380</b>

### **Council as Lessor i.e., receiving rents for assets**

#### **Finance Leases**

The future minimum lease payments receivable under non-cancellable leases in future years are:

	<b>31 March 2025 £'000</b>	<b>31 March 2024 £'000</b>
Not later than one year	323	323
Later than one year and not later than five years	1,292	1,292
Later than five years	3,972	4,295
<b>Total Minimum lease payments</b>	<b>5,588</b>	<b>5,911</b>

**Operating Leases**

The Council leases out property and equipment under operating leases for the provision of community services, such as sports facilities, tourism services and community centres and for economic development purposes to provide suitable affordable accommodation for local businesses.

The future minimum lease payments receivable under non-cancellable leases in future years are:

	<b>31 March 2025 £'000</b>	<b>31 March 2024 £'000</b>
Not later than one year	1,370	1,319
Later than one year and not later than five years	3,359	3,292
Later than five years	33,050	32,771
<b>Total Minimum lease payments</b>	<b>37,779</b>	<b>37,382</b>

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

**Note 38: PFI and Similar Contracts**

Summary information for PFI and similar contracts is given below for continuing schemes. The figures given on future liabilities assume full performance; failure of performance will attract penalties from the contractors.

**Paragon**

This project is a Design, Build, Finance and Operate (DBFO) scheme to provide two schools (Colley Lane Primary and The Summerhill). The contract with the operator Newmount covers 27 years and expires in 2031. During 2017-18 Colley Lane School converted into an academy school and transferred to the Windsor Academy Trust. The transfer did not result in any fundamental changes to the PFI contract itself, however, the value of the school's land and buildings was removed as a disposal from the Council's balance sheet.

The balance sheet movements and entries for Paragon are detailed below:

	<b>Paragon Schools</b>	
	<b>2024/25 £'000</b>	<b>2023/24 £'000</b>
<b>Cost or Valuation</b>		
<b>At 1 April</b>	<b>28,983</b>	<b>28,636</b>
Additions	0	347
Revaluations		
<b>At 31 March</b>	<b>28,983</b>	<b>28,983</b>
<b>Depreciation</b>		
<b>At 1 April</b>	<b>0</b>	<b>0</b>

Written off on revaluation	(621)	(501)
Charge for the year	621	501
<b>At 31 March</b>	<b>0</b>	<b>0</b>
<hr/>		
<b>Balance Sheet amount at 31 March</b>	<b>28,983</b>	<b>28,983</b>

#### PFI Finance Lease Creditor Liabilities

	Paragon Schools	
	2024/25	2023/24
	£'000	£'000
<b>At 1 April</b>	<b>6,361</b>	<b>6,895</b>
Principal Repaid in Year	(662)	(534)
<b>Balance Sheet amount at 31 March</b>	<b>5,699</b>	<b>6,361</b>

#### Breakdown of PFI Finance Lease Creditor Liabilities

	Long Term		Current	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Paragon	4,856	5,699	843	662
	<b>4,856</b>	<b>5,699</b>	<b>843</b>	<b>662</b>

The carrying value of the PFI liabilities is recorded at amortised cost in the balance sheet. Their fair value is disclosed in Note 19.

The breakdown of the unitary payment (or equivalent) into service charges, repayment of principal and finance costs for the life of the schemes are detailed below. The unitary payments and service charges have been uplifted for inflation.

#### Payments for Paragon Schools

Period	Unitary Payment £'000	Service Charges £'000	Repayments of Liability £'000	Finance Costs £'000	Contingent Rents £'000
Within One Year	4,543	2,697	843	325	678
2-5 years	19,976	12,366	3,787	805	3,018
6-10 years	5,910	3,949	1,069	61	831
11-15 years	0	0	0	0	0
<b>Total</b>	<b>30,428</b>	<b>19,012</b>	<b>5,699</b>	<b>1,191</b>	<b>4,526</b>



**Note 39: Investments in Companies****Birmingham Airport**

The Council's shareholding investment in Birmingham Airport Holdings Ltd cost £7.675m. It is revalued annually using an earnings-based approach. The latest valuation for Dudley's 5.58% ordinary shareholding and 11% preference shareholding is £30.252m; see also [Note 19](#).

**Dudley and West Midlands Zoological Society Limited**

Dudley Council holds all the shares in a company known as Dudley and West Midlands Zoological Society Limited (Registered address: Dudley Zoo Offices, Castle Hill, Dudley, West Midlands, DY1 4QF). This company is engaged in zoological activities, and, through a wholly owned subsidiary, the provision of catering services, the operation of gift shops, and related activities on the Dudley Zoo site.

The company's financial position for its two most recent accounting periods is summarised below. The figures are based on the latest accounts of the company, copies of which can be obtained from the Society at the above address.

	Year Ended 31 December 2024 £'000	Year Ended 31 December 2023 £'000
Totals Assets Less Liabilities	6998	6,532
Surplus or (Loss) on Ordinary Activities	465	47
Status of Accounts	Unaudited	Audited

The Company and its subsidiary are dependent for financial support on the Council. The Council is committed to provide support to ensure its ability to continue to trade.

**Black Country Innovative Manufacturing Organisation**

Black Country Innovative Manufacturing Organisation was incorporated under the Companies Act 2006 as a private limited company (limited by guarantee) on 23 May 2019. The registered office is No. 4 Castle Court 2, Castlegate Way, Dudley, West Midlands, DY1 4RH. The company is jointly owned by Dudley MBC and West Midlands Combined Authority with a 50% share, we have not consolidated their accounts within the Council's accounts, as the value is not material. Note 19 refers to a long-term loan issued to this organisation.

**Dudley & Kent Commercial Services Ltd trading as Connect2Dudley**

Dudley & Kent Commercial Services Ltd is a private company limited by shares, domiciled and incorporated in England and Wales. The registered office is 1 Abbey Wood, Kings Hill, West Malling, Kent, United Kingdom, ME19 4YT. The company is jointly controlled by Dudley Metropolitan Borough Council and Commercial Services Kent Limited. The Company was incorporated on 11 May 2022 and commenced trading on 1 September 2022.

	Year Ended 31 March 2025 £'000	Year Ended 31 March 2024 £'000
Total Assets less Liabilities	(65)	(190)
Turnover	12,360	14,717
Cost of Sales	(11765)	(14,191)
Gross Profit	595	526
Status of Accounts	Unaudited	Audited

**Group Accounts**

Dudley Council does not prepare group accounts, as the effect on the standing of the Council of the three related companies above is not material.

**Note 40: Trust Funds**

The Council acts as trustee for the various funds detailed below. These funds have not been consolidated in the accounts of the Council, to comply with the Accounting Code of Practice.

	Balance at 31st March 2025	Expenditure & Other Losses 2024/25	Income & Other Gains 2024/25	Balance at 31st March 2024	Expenditure & Other Losses 2023/24	Income & Other Gains 2023/24	Balance at 31st March 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Stevens Trust - provides amenities in Stourbridge & Lye	3,611	(751)	743	3,619	(851)	894	3,576
Children's' Services Funds	112	(15)	5	122	(4)	5	121
Housing Leaseholder Funds	1,699	(261)	569	1,391	(304)	563	1,132
Adult and Community Funds - mainly held on behalf of residents	8,982		2,487	6,495	0	(62)	6,557
Other Funds	1,811	225	104	1,482	(287)	420	1,349
<b>Total</b>	<b>16,215</b>	<b>(802)</b>	<b>3,908</b>	<b>13,109</b>	<b>(1,446)</b>	<b>1,820</b>	<b>12,735</b>

The Ernest Stevens Trust comprises 4 separate trusts. Only the Stevens Park & Recreation Ground Foundation has investments which generate income. It also has land & property valued at £0.803m at 31<sup>st</sup> March 2025 in accordance with the RICS Appraisal & Valuation manual. The other 3 trusts have land & property valued on a similar basis totalling £5.291m at 31<sup>st</sup> March 2025.

In compliance with the Statement of Recommended Practice for Charities, the accounts of the Stevens Trust show investments and property at appropriate current value. This has not resulted any significant unrealised gain or losses.

The Council is the Trustee of several trusts which administer public open spaces. The only assets of these trusts are the land and property concerned, and no value is included in the table above.

## HOUSING REVENUE ACCOUNT INCOME & EXPENDITURE STATEMENT

This reflects a statutory obligation to account separately for local authority housing provision. It shows the major elements of housing revenue expenditure - maintenance, administration, and capital financing costs - and how these are met from rents, subsidy, and other income. The layout of this account is a HRA Income and Expenditure Statement, followed by a Movement on the HRA Statement. These accounts are fully included within the main Movement in Reserves Statement and the Comprehensive Income and Expenditure Statement.

	2024/25 £'000	2023/24 £'000
<b>Income</b>		
Dwellings Rent	(102,514)	(96,049)
Non-Dwellings Rent	(804)	(821)
Charges for services and facilities	(1,169)	(383)
Contribution towards expenditure	(2,668)	(2,847)
<b>Total Income</b>	<b>(107,156)</b>	<b>(100,100)</b>
<b>Expenditure</b>		
Repairs & Maintenance	22,962	26,840
Supervision and Management inc. Special Services	26,405	25,923
Rent, Rates, Taxes & Other Charges	753	769
Movement in Impairment Allowance	173	222
Depreciation & Revaluation of Property	28,708	25,009
Debt Management Costs	97	95
<b>Total Expenditure</b>	<b>79,097</b>	<b>78,858</b>
<b>Net of (Income) &amp; Expenditure</b>	<b>(28,059)</b>	<b>(21,242)</b>
HRA share of Corporate & Democratic Core	588	576
Cost of Services but not allocated to specific services	0	0
<b>Net Cost of HRA services</b>	<b>(27,471)</b>	<b>(20,666)</b>
(Gain)/loss on sale of HRA non-current assets	(14,334)	(2,539)
Interest payable & similar charges	17,450	17,106
HRA Investment Income (including Mortgage Interest)	0	0
Interest and administration cost of pensions	0	(98)
Recognised capital grants and contributions	(627)	(2,427)
<b>(Surplus)/Deficit for the year of HRA services</b>	<b>(24,982)</b>	<b>(8,624)</b>

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents. Authorities charge rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, based on which rents are raised, is shown in the Movement on the HRA Statement.

A proportion of receipts from the sale of council houses is contributed to a national pool. This contribution is shown in the Comprehensive Income and Expenditure Statement.

**Movement on the HRA Statement**

	2024/25		2023/24	
	£'000	£'000	£'000	£'000
<b>Balance on the HRA at the end of the previous year</b>		(7,765)		(5,122)
(Surplus) or deficit for the year on the HRA Income and Expenditure Account	(24,982)		(8,624)	
Adjustments between accounting basis and funding basis under statute	20,088		5,478	
<b>Net decrease before transfers to or from reserves</b>	<b>(4,894)</b>		<b>(3,146)</b>	
Transfers to or (from) earmarked reserves	609		503	
<b>(Increase) / Decrease in year on the HRA balance</b>		<b>(4,285)</b>		<b>(2,643)</b>
<b>Balance on the HRA at end of the current year</b>		<b>(12,050)</b>		<b>(7,765)</b>

**Note 1: Adjustments between accounting basis and funding basis under statute**

This note shows the adjustments which are needed to determine the final balance on the statutory account.

	2024/25	2023/24
	£'000	£'000
Charge for depreciation, impairment and amortisation of non-current assets, plus capital expenditure funded from revenue under statute, net of Major Repairs Allowance and recognised capital grants	(5,927)	(2,657)
(Gain) / loss on sale of HRA non-current assets	(14,334)	(2,539)
Disposal costs charged to capital receipts	173	127
HRA share of contributions to or from the Pensions Reserve (net figure)	0	(409)
Voluntary Revenue Provision	0	0
Capital expenditure funded by the HRA	0	0
<b>Total</b>	<b>(20,088)</b>	<b>(5,478)</b>

**Note 2: Housing Stock**

The Council was responsible for managing on average 21,066 dwellings during 2024/25. The stock at the year-end was made up as follows:

	31 March 2025	31 March 2024
Traditional Houses and Bungalows	12,605	12,906
Non-traditional Houses and Bungalows	1,038	1,055
Flats	7,090	7,102
<b>Total Stock</b>	<b>20,733</b>	<b>21,063</b>

The change in stock can be summarised as follows:

	<b>2024/25</b>	<b>2023/24</b>
<b>Stock at 1st April</b>	21,063	21,069
Less: Sales, demolitions etc.	(332)	(98)
Add: New build properties / Acquisitions	2	92
<b>Stock at 31st March</b>	<b>20,733</b>	<b>21,063</b>

### **Note 3: Plant Property and Equipment**

Total Balance sheet value of land, houses & other property within the HRA.

	<b>31 March 2025 £'000</b>	<b>31 March 2024 £'000</b>
Operational Assets, comprising:		
Dwellings	1,118,205	1,120,673
Other Land & Buildings		5,083
Assets Held for Sale		10,657
	<b>1,118,205</b>	<b>1,136,413</b>

The vacant possession value of dwellings within the council's HRA at 31st March 2025 was £2.900bn compared with a social housing value of £1.160bn. The difference between these two values shows the economic cost to Government of providing council housing at less than open market rents.

### **Note 4: Major Repairs Reserve Movement**

	<b>2024/25 £'000</b>	<b>2023/24 £'000</b>
Balance on the Major Repairs Reserve at start of year	0	0
Amount transferred to the Major Repairs Reserve during the financial year	33,900	25,250
Debits to the Major Repairs Reserve during the financial year in respect of capital expenditure on the land, houses & other property within the council's Housing Revenue Account	(32,010)	(25,250)
<b>Balance on the Major Repairs Reserve at end of year</b>	<b>1890</b>	<b>0</b>

### **Note 5: Capital Expenditure**

Summary of total accrued capital expenditure on land, houses & other property within the HRA during the financial year by sources of funding.

	<b>2024/25 £'000</b>	<b>2023/24 £'000</b>
Borrowing		17,997
Usable Capital Receipts	4,299	6,501
Revenue Contribution	0	0
Major Repairs Reserve	32,010	25,250
Grants & Leaseholders' Contributions	710	2,427
<b>Total Capital Expenditure / Funding</b>	<b>37,019</b>	<b>52,175</b>

**Note 6: Capital Receipts**

Summary of total capital receipts from disposals of land, houses & other property within the Housing Revenue Account during the financial year.

	2024/25	2023/24
	£'000	£'000
<b>Net Capital Receipts</b>		
Dwellings	24,816	8,605
Other land & buildings	203	192
<b>Total</b>	<b>25,019</b>	<b>8,797</b>

**Note 7: Depreciation**

The total charge for depreciation within the Housing Revenue Account.

	2024/25	2023/24
	£'000	£'000
Depreciation - Dwellings	28,600	25,091
Depreciation - Other land & buildings e.g. Shops	108	159
<b>Total</b>	<b>28,708</b>	<b>25,250</b>

**Note 8: Revaluation and Impairment Losses**

	2024/25	2023/24
	£'000	£'000
The value of revaluation gains/(losses) for the financial year in respect of land, houses & other property charged to the council's Housing Revenue Account	8	241
<b>Total</b>	<b>8</b>	<b>241</b>

**Note 9: Rent Arrears**

	31 March	31 March
	2025	2024
	£'000	£'000
Current Tenants	1,921	2,062
Former Tenants	917	942
<b>Total</b>	<b>2,838</b>	<b>3,004</b>

There is an impairment allowance in respect of potentially uncollectable rent arrears. The value of this allowance was **£1.354m** at 31st March 2025 (£1.354m at 31<sup>st</sup> March 2024).

## COLLECTION FUND

This shows the transactions of Dudley as a billing authority in relation to non-domestic rates and council tax and illustrates the way in which these have been distributed to precepting authorities and to Dudley's General Fund.

	Business Rates		Council Tax	
	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
Council Tax (net of exemptions and reliefs)			(186,326)	(174,918)
Business Rates (net of exemptions and reliefs)	(88,050)	(82,880)		
<b>Total Income</b>	<b>(88,050)</b>	<b>(82,880)</b>	<b>(186,326)</b>	<b>(174,918)</b>
Precepts, Demands and Shares:				
West Midlands Police & Crime Commissioner			20,365	19,006
West Midlands Fire & Rescue Authority	886	826	7,105	6,851
Dudley MBC General Fund	88,448	82,461	155,581	147,170
	<b>89,334</b>	<b>83,287</b>	<b>183,051</b>	<b>173,027</b>
Business Rates Cost of Collection allowance	392	393		
	<b>392</b>	<b>393</b>	<b>0</b>	<b>0</b>
Increased/(Decreased) Provision for Doubtful Debts:	(360)	539	4,869	964
Write Offs	600	788	548	778
Increased Provision for Appeals	(398)	(2,016)		
	<b>(158)</b>	<b>(689)</b>	<b>5,417</b>	<b>1,742</b>
Transfer to General Fund & Preceptors - Prior Year's Estimated Surplus/(Deficit)	(6,729)	1,726	1,131	1,210
<b>Total Expenditure</b>	<b>82,839</b>	<b>84,717</b>	<b>189,599</b>	<b>175,979</b>
<b>Collection Fund Surplus (Deficit) for the year</b>	<b>5,211</b>	<b>(1,837)</b>	<b>(3,273)</b>	<b>(1,061)</b>
Surplus / (Deficit) at 1st April brought forward	(5,881)	(4,044)	(555)	506
<b>Total Collection Fund Surplus (Deficit) at 31st March</b>	<b>(670)</b>	<b>(5,881)</b>	<b>(3,828)</b>	<b>(555)</b>
Surplus (-) Deficit (+) to be distributed to preceptors	7	59	574	83
<b>Dudley MBC Collection Fund Surplus/(Deficit)</b>	<b>(663)</b>	<b>(5,822)</b>	<b>(3,254)</b>	<b>(472)</b>

**Note 1: Council Tax**

Council tax charges are calculated by estimating the amount of income required from the Collection Fund by the Council and precepting authorities for the forthcoming year and dividing this by the Council Tax base (*i.e.*, the equivalent number of Band D dwellings). The Council Tax base for 2024/25 was 94,480.09 calculated as follows:

**2024/25**

<b>Number of Dwellings (adjusted for discounts, exemptions etc)</b>	<b>Multiplier</b>	<b>Band D Equivalent</b>
95.17	5/9	52.87
29,072.16	6/9	19,381.44
32,149.89	7/9	25,005.47
26,564.86	8/9	23,613.21
14,702.49	9/9	14,702.49
6,594.79	11/9	8,060.29
2,338.54	13/9	3,377.88
906.19	15/9	1,510.32
107.45	18/9	214.90
<b>Total Band D equivalent</b>		<b>95,918.88</b>
<b>Assumed Collection Rate</b>		<b>98.5%</b>
<b>Net Band D equivalent</b>		<b>94,480.09</b>

**Note 2: National Non-Domestic Rates (Business Rates)**

Non-Domestic Rates are collected locally on the basis of a nationally determined rate in the pound of 54.6p (or 49.9p if the property qualifies for small business relief) for 2024/25, charged on the rateable value of the property. The Council is responsible for collecting rates due from ratepayers in its area. Under the Business Rates Retention programme, the Council retains 99% of the income, and 1% goes to the Fire and Rescue Authority.

Total non-domestic rateable value at 31<sup>st</sup> March 2025 was £235.791m (31<sup>st</sup> March 2024 = £237.969m). The amount collectable by the Council is less, by the net amount of Transitional Relief and other allowances, than the product of the non-domestic rateable value and the poundage.

**Note 3: Write Offs**

Following every effort to recover monies due, some debts are eventually deemed to be uncollectable and are written off. In 2024/25 the following sums were written off:

Council Tax	£0.548m (2023/24 £0.778m)
National Non-Domestic Rates	£0.600m (2023/24 £0.788m)



---

**STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS**

---

**The Council's Responsibilities:**

The Council is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. This council has designated the Chief Officer (Finance and Legal) as the responsible officer.
- to manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets.
- to approve the Statement of Accounts.

---

**The Director of Finance Responsibilities:**

The Director of Finance and Legal Services is responsible for the preparation of the council's Statement of Accounts which, in terms of the Code of Practice on Local Authority Accounting in the United Kingdom, is required to present a true and fair view of the financial position of the authority at the accounting date and its income and expenditure for the year ended 31<sup>st</sup> March 2025.

---

**CERTIFICATE OF THE DIRECTOR OF FINANCE AND LEGAL SERVICES**

---

I certify that in preparing this Statement of Accounts:

- I have selected suitable accounting policies and applied them consistently,
- I have made reasonable and prudent judgements and estimates,
- I have complied with the Code of Practice on Local Authority Accounting in the United Kingdom.

I have also kept proper and up-to-date accounting records and taken reasonable steps for the prevention and detection of fraud and other irregularities.

The accounts set out in the following pages give a true and fair view of the financial position of Dudley Metropolitan Borough Council at 31<sup>st</sup> March 2025, and its income and expenditure for the year then ended.

I authorise this Statement of Accounts for issue on the date below. This is the date up to which events after the balance sheet date have been considered for their possible effect on the accounts.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
DUDLEY METROPOLITAN BOROUGH COUNCIL**

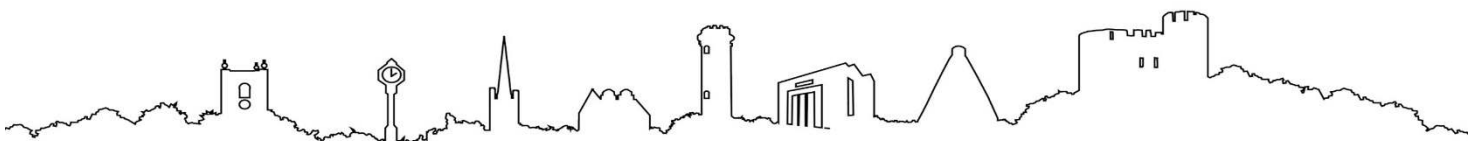
---

**Report on the Audit of the Financial Statements**

Not yet available

# Annual Governance Statement

## 2024-25



---

# Annual Governance Statement

## 1. Scope of Responsibility

- 1.1 Dudley Metropolitan Borough Council is responsible for providing statutory and discretionary services to residents and business within the Borough, ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. The council also has a duty under the Local Government Act 2000 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, the council is responsible for putting in place proper arrangements for the governance (including the system of internal control) of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.
- 1.3 The purpose of this Annual Governance Statement (AGS) is to explain how the council has endeavoured to deliver good governance through the arrangements in place during the period covered and how the council has reviewed the effectiveness of these arrangements. It also meets the requirements of Regulation 6 of the Accounts and Audit Regulations 2015 to undertake a review of the effectiveness of internal control and publish an AGS.
- 1.4 The AGS covers the financial year 2024-25 and the subsequent period up to the sign off the 2024-25 Statement of Accounts and therefore governance issues up to the date of approval of the audited accounts need to be considered.
- 1.5 The AGS should be read in conjunction with the council's Code of Corporate Governance. The Code of Corporate Governance provides details of the framework the council has put in place to meet the principles of effective governance as prescribed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) in their guidance "Delivering Good Governance in Local Government".

## 2. The Purpose of the Governance Framework

- 2.1 The governance framework comprises the arrangements (including political, economic, social, environmental, administrative, legal, and

other arrangements) put in place to ensure that the intended outcomes for stakeholders are defined and achieved. It places the attainment of sustainable economic, societal and environmental outcomes as a key focus of governance structures and processes and stresses the importance of taking account of the impact of current decisions and actions on future generations.

- 2.2 Risk management and internal control are a significant part of the governance framework and are designed to manage risk to a reasonable level. They cannot eliminate all risk of failure to achieve objectives and priorities and can therefore only provide reasonable and not absolute assurance of effectiveness.
- 2.3 The systems of risk management and internal control are based on an ongoing process designed to identify and prioritise the risks to the achievement of the council's objectives and priorities, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

### 3. The Governance Framework

- 3.1 Dudley MBC's governance framework comprises the strategies, plans, policies, procedures, systems and processes and values and behaviours that assist the council in delivering its strategic objectives/priorities and provide services in an appropriate and cost-effective way.
- 3.2 The full Council is ultimately responsible for the development and maintenance of the governance environment. Responsibility is delegated down via the Constitution to Cabinet, other Member Committees and Officers (See **Appendix A** for a description of the council's structure).

The key three statutory positions in relation to governance are:

- Head of Paid Service (Chief Executive) who must ensure that the council is properly organised and staffed,
- Monitoring Officer (Lead for Law and Governance) who must ensure the lawfulness and fairness of decision making,
- Section 151 Officer/Interim Finance Director who must ensure the lawfulness and financial prudence of decision making and the proper administration of the council's financial affairs,

They are supported by a range of other officers including:

- An independent Head of Internal Audit who is responsible for delivering an annual opinion on the effectiveness of the framework of governance, risk management and internal control,
- A Statutory Scrutiny Officer (Democratic Services Manager), who promotes and provides support to the council’s overview and scrutiny functions and gives advice to Members and Officers on these functions.

3.3 The Council’s governance framework is detailed in a Code of Corporate Governance. The Code of Corporate Governance is based on the 7 principles detailed in the CIPFA/SOLACE guidance “Delivering good governance in Local Government”:



## 4. Review of Effectiveness

### 4.1 General Overview

4.1.1 Assurance on the effectiveness of systems and processes comes from many sources such as external inspections (e.g. Ofsted, CQC LGA etc), Internal Audit, Corporate Management Team, Members (through Committees such as Audit and Standards and Scrutiny Committees), the work of council support services, risk and performance management systems, quality systems, corporate groups and individual Managers.

4.1.2 In light of recent guidance produced by CIPFA and the Local Government Association and challenges in getting assurance information recorded against risks, the Council is to produce a documented Corporate Assurance Framework. This Framework will discuss assurance requirements, detail responsibilities for obtaining and recording assurance information and how assurance information will be used to validate the effectiveness of the Council's Governance Framework as detailed within the Code of Corporate Governance.

### 4.2 Code of Corporate Governance

4.2.1 The local Code of Corporate Governance was last updated in September 2022. The Council is currently reviewing its governance framework and once the review has been completed the local Code of Corporate Governance will be updated. The link below is to the existing Code of Corporate Governance.

[Code of Corporate Governance](#)

### 4.3 External Reviews

4.3.1 During 2024-25 external reviews relating to governance have been undertaken by the Local Government Association (LGA), Chartered Institute of Public Finance & Accountancy (CIPFA) and the Centre for Governance and Scrutiny.

4.3.2 The Local Government Association (LGA) undertook a Corporate Peer Challenge Review in September 2023. The review covered the following areas:

- Local priorities and outcomes.
- Organisational and place leadership.
- Governance and culture.

- Financial planning and management.
- Capacity for improvement.

The same peer review team returned to the Council in June 2024 to undertake a progress review. The peer review team found that progress against the recommendations they had made in 2023 was limited and in a number of areas, the Council had taken an overly optimistic view of its progress:

“There remains a significant amount of critical work which is outstanding and now needs to be progressed as a matter of urgency to avoid the Council being financially unsustainable. DMBC’s significant issues in relation to finance, governance and culture remain and, in many cases, have become more serious. The peer team considers that leadership was and remains the biggest barrier in addressing these”.

4.3.3 However, the Peer review LGA recognised that there had been an improvement in Member/Officer relations since the previous review and that staff were the Council’s greatest asset and wanted to play their part and deliver the changes required. They acknowledged that the Council recognised the financial challenges ahead and that the pace of change had not been sufficient, but that there were many opportunities to address the financial challenges and Members were ready to make the difficult decisions.

4.3.4 CIPFA undertook a review of Governance and Finance including an assessment against their Financial Management model. The review assessed the financial resilience of Dudley Metropolitan Borough Council in light of the potential risk raised by the External Auditor of the Council issuing a future Section 114 notice. CIPFA’s report was split into three areas: Governance, Financial Resilience and Financial Management.

#### Governance

We have overriding and fundamental concerns in this area. Urgent action is needed to address these [concerns].

4.3.5 Specific highlights of good practice were:

- The establishment of an Improvement Panel.

- A Council Plan for 2024-25 that outlines strategic priorities, including financial sustainability, governance, and control.

Areas for development were raised in the following areas:

- Relationships at senior officer and political levels.
- Transparent decision making focused on financial resilience.
- A lack of focus and a divergence and movement on too many fronts.

#### Financial Resilience

In our view the Council as of June 2024 is not currently in a section 114 situation, but unless there is a change in the way it operates at a senior level, we can see a situation where there is every likelihood of it becoming in a section 114 situation in the near term. Urgent action is needed to address this.

#### 4.3.6 Specific highlights of good practice were:

- The Council has implemented effective spending controls.
- Formal system for monitoring savings had been introduced which included a RAG rating for individual savings.
- Although not universal, generally positive working relationships between service teams and Financial Services where Directors and Heads of Service level want to take responsibility for their budgets and where Principal Accountants are integrated into Directorate Management Teams.
- Well-articulated medium-term capital and revenue budget pressures in its three-year forecasts with specific financial risks considered in respect of the budget.
- Evidence that transformation activity was taking place: digital transformation, commercial strategy and transformation and innovation.
- Treasury management practices which are regularly reviewed to ensure compliance with the CIPFA Treasury Management Code of Practice.

Specific areas for development were raised in the following:

- The Council needs to take urgent action to develop and deliver its savings plans through a Council wide approach.
- The Council needs to ensure clarity and clear oversight to ensure savings are realistic and deliverable and make significant improvements in contracting and commissioning arrangements.
- Practices and policies in high spend areas need reviewing to ensure all savings opportunities are fully explored.

4.3.7 In relation to Financial Management specific concerns were raised in the following areas:

- The lack of strategies and frameworks for decision making create confusion and reactionary decision making.
- Budget holder understanding and engagement is mixed.
- Budget monitoring and reporting can be improved and better understood.
- Financial information and systems could be improved and aligned with more transparent risk management and assurance arrangements.
- Financial information and systems could be improved. This should be aligned to more transparent risk management and assurance arrangements and demonstrate compliance with CIPFA guidance.

4.3.8 The council's response and actions to these concerns are set out in section 4.8

The Council would benefit from a “zero-base” redrafting of the constitution

4.3.9 The review undertaken by Centre for Governance and Scrutiny focused on the Council's Constitution. They concluded that:

4.3.10 Work has commenced to scope and defined a full review of the constitution, financial regulations and the scheme of delegations to ensure that they are a modern and appropriate to the effective working of the Council.

4.3.11 The External Auditor's Interim Annual Report for 2023-24 presented to Audit and Standards Committee in September 2024 raised recommendations in relation to:

- Reducing reliance and rebuilding general fund reserves (included a statutory recommendation relating to financial sustainability).
- Continuing to monitor progress to manage the dedicated schools fund deficit.
- Resolving outstanding issues that are preventing the regulatory notice being removed by the Regulator of Social Housing.
- They also raised a new recommendation in relation to the policies and procedures for the disposal of Council owned property.

The External Auditor stated that further work needed to be undertaken on governance before a final conclusion can be drawn and a final Auditor's Annual Report issued in respect of 2023/24.

4.3.12 Good progress has been made against these recommendations, including the Statutory Recommendation, but further work remains to be done.

#### 4.4 **New Operating Model**

- 4.4.1 In December 2023 work commenced to look at a new operating model for the Council. This work confirmed that whilst there are areas of good practice across the organisation, the Council could deliver improved outcomes through reducing duplication of effort, reduce costs through greater use of technology and digital, improving systems and processes which would support increased productivity.
- 4.4.2 The scale of the challenge faced by the Council in achieving financial sustainability and increased demand cannot be achieved by just managing ongoing reductions. A new operating model enables the Council to arrange its function and core business areas together to consolidate, make whole council improvements, reduce duplication, better deploy technology, joint working, improved processes, maximising use of technology and create the culture to sustain the changes.
- 4.4.3 The operating model does not determine what the Council will do or at what level but how it will operate. It is the vehicle by which the Council ensures it has the right capabilities, processes, people, information, technology, governance, and culture to deliver against agreed vision, policy, and plans. Phase 1 of the implementation of

the new operating model is underway and is focussing on core functions. The new operating model is shown below:



#### 4.4 Dudley Council Improvement Programme

- 4.4.1 A Dudley Council Improvement Plan has been produced based on the Best value standards and intervention: a statutory guide for best value authorities that was issued in May 2024. The statutory guidance sets out seven overlapping themes of best practice that are shown in the diagram at 4.4.2.
- 4.4.2 A comprehensive review of all areas is ongoing to ensure the Council can evidence value for money under pinned by well performing functions.



4.4.3 The work to develop a comprehensive improvement journey started as part of the Fit for the Future work and the Dudley MBC Improvement Plan encompasses that as well as putting in place a longer-term programme for transformation. It will be a live document updated to take account of progress and other changes required. In summary it will seek to address and evidence:

- Implementation of all actions from the LGA, CIPFA and our external auditors.
- The on-going financial sustainability of the Council with a clearer focus on key priorities.
- Sustainable improvements in governance, leadership, and culture in the authority.
- Improved effectiveness of audit and scrutiny.
- Development of 10-year vision for the Borough developed with our partners and communities underpinned by a new 3-year corporate plan.
- Improve consultation with residents and partners.
- Transformation projects which maximise use of technology and digital to secure continuous improvement in all services.

4.4.4 Measures of success will be developed to enable effective tracking of progress to evidence:

- The Council has a stable and effective senior leadership team, its structure fits within a corporate plan framework and designed to meet its wider strategic objectives.

- The Council is able to demonstrate it has a clear focus on its residents and customers and is responsive to their needs and demands.
- The Council has reviewed its Audit and Scrutiny arrangements and functions in place for Council decisions, and members and officers demonstrate they understand and respect their roles in council business.
- The Council is making maximum use of its investment in technology and is using technology to drive down costs, increased self-service/automation and create capacity to assist those who need it.
- The Council has developed and can demonstrate an organisational culture, at all levels, where staff are enabled and empowered to constructively challenge and improve ways of working.
- The Council can demonstrate it is developing and deepening relationships with external partners across the region and sector.
- Decisions made by the Council are through well understood and transparent channels and supported by evidence.
- The Council can demonstrate it is focused on continuously improving in all areas and has robust processes in place to collect and analyse data on its delivery, and to manage its performance effectively.
- The Council can demonstrate it is financially resilient and makes investment decisions in the context of a longer-term financial plan.
- The correct processes, governance and behaviours will be in place to ensure these changes stick. Most importantly how these changes will improve outcomes for our residents

4.4.5 A Dudley MBC Improvement Panel has been established, that is chaired independently of the Council, will meet monthly and provide assurance and challenge on progress with delivering the Improvement Plan and associated outcomes. Its members are some of the highest achievers in the sector and the Council is embracing their skills, knowledge and experience in its own journey.

## 4.5 Senior Management Restructure

- 4.5.1 As required by the new operating model, the Council is currently undertaking a review of the senior management structure.
- 4.5.2 The Council is facing significant financial challenges, alongside increased service demands. There is a need to carefully review how and which services are provided, deliver significant budget savings and transform ways of working whilst at the same time ensuring services for vulnerable residents and key frontline services are maintained. Tackling this challenge requires a fundamental review of the staffing structure across the Council and appropriate spans of control for senior managers along with the need to improve joint working and deliver the Dudley Improvement Plan. Whilst the restructure will deliver financial savings, it is also designed to ensure that the Council is structured in such a way that it can best meet the challenges going forward. The restructure will provide clarity around senior management roles and decision-making accountability, with the most senior manager level becoming a clearly identifiable tier of management across the Council.
- 4.5.3 Since the start of 2024-25, a significant number of officers who attended Corporate Management Team have left. These include the Chief Executive (Head of Paid Services), Director of Finance and Legal Services (Section 151 Officer), Lead for Law and Governance (Monitoring Officer), and a number of other senior officers. These posts are currently being filled by either interim staff or by staff covering/acting up whilst the Council is undertaking recruitment processes to fill these posts with permanent staff and deliver stable leadership.

## 4.6 Internal Audit

- 4.6.1 The Head of Audit and Risk Management Services is required by Public Sector Internal Audit Standards in the UK Public Sector (to be superseded by Global Internal Audit Standards from April 2025), to deliver an annual report which contains an internal audit opinion. The internal audit opinion must conclude on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.
- 4.6.2 The opinion of the Head of Internal Audit for 2024-25 provided **limited assurance** (*significant weaknesses in system design or control application*) on Dudley MBC's framework of governance, risk management and internal control, which is required in order to achieve the Council's priorities. Full details on why a limited

assurance opinion was given is included in the Head of Audit and Risk Management Services' Annual Report.

#### 4.7 **Risk Management**

4.7.1 External reviews undertaken by the Local Government Association, CIPFA, and External Audit have identified issues with the effectiveness of the Risk Management Framework. The Head of Audit and Risk Management Services who is responsible for the Council's Risk Management Framework acknowledges this issue and a review is underway, including the appropriate level of resources

#### 4.8 **Financial Management**

4.8.1 For 2024/25, the Council introduced robust control arrangements for staff, procurement and Value for money in order to demonstrate grip and control of its budgets. This demonstrates a commitment to good financial management and contributed significantly to a £21.3m underspend and the avoidance of the planned use of £4.3m of reserves to balance the budget. This strong grip will continue into 2025/26.

4.8.2 Council has completed successfully a medium-term financial planning process for 2025-26, both for the Revenue Budget and Capital Programme. In doing so, it has for the first time set down a Medium-Term Financial Strategy (MTFS) over 5 years and has successfully forecast the estimated budget shortfall for 2025/26 and the years following. In responding to this shortfall and delivering proposals for a balanced budget the Council has consulted on a wide suite of potential budget/transformation savings and has identified around net savings of £42m (largely recurring) together with a package of short-term measures designed to suppress short term financial pressures. Overall, this package is sufficient to balance the 2025/26 Budget and balances each budget year in the medium term.

4.8.3 This position compares favourably with the Medium-Term Financial Strategy presented to Cabinet in February 2024, where the Council would have depleted its Unallocated General Fund reserve in the early part of 2025-26.

4.8.4 However, there are some significant risks to the delivery of the Medium-Term Financial Strategy. These include ensuring identified savings are delivered and agreed budget allocations are not exceeded.

4.8.5 The Council's reserves as a percentage of net revenue budget are by some way the lowest of any Metropolitan Borough Council and although the planned net contribution to reserves of £20m over the next four years is undoubtedly welcome, this will still leave Dudley MBC as the lowest of any authority of its type. A continued focus on tight cost control, the transformation of services and rebuilding financial stability is critical into the foreseeable future.

## **5. Conclusion**

5.1 The Council recognises there are issues to be addressed with its governance framework. However, clear and decisive action has been taken to understand these issues and for them to be dealt with on a timely basis. A new operating model has been established, and a senior management restructure is taking place to ensure the Council has the right structure, skills and capacity to deliver sustainable change.

5.2 A comprehensive Improvement Plan has been agreed that will be monitored by an independent Improvement Panel.

5.3 The Actions Plans attached at Appendix A, B and C will be closely monitored by Corporate Management Team, Cabinet and the Improvement Panel.

5.4 The Council has sought to begin to address the concerns of its External Auditor in the Statutory Recommendations issued on 30 January 2024, in relation to the risk of a Section 114 notice and the depletion of its reserves through a comprehensive financial control framework which has yielded a significant underspend in 2024/25, developing a balanced medium term financial plan over the next five year, and a substantial planned increase in unearmarked reserves.

**Councillor Patrick Harley**  
**Leader of the Council**

**Balvinder Heran**  
**Chief Executive**

**Appendix A****Actions to be addressed in relation to the 2024/25 AGS**

<b>Action Required</b>	<b>Responsible Officer</b>	<b>Responsibility/ Target Date</b>
Delivery of the Dudley Council Improvement Plan	Chief Executive	BH - 31/3/2026
Complete Senior Management Restructure	Chief Executive	BH - 31/3/2026
Review the approach to Risk Management	Group Director – Core Business	CH - 31/7/2025
Complete all work in relation to the new Operating Model	Chief Executive	BH - 31/3/2026
Produce a documented Corporate Assurance Framework	Director - Legal, Compliance & Assurance	GH - 31/3/2026
Review the approach to produce the Annual Governance Statement and Code of Corporate Governance	Director - Legal, Compliance & Assurance	CH/GH - 31/3/2026
Update the Code of Corporate Governance	Director - Legal, Compliance & Assurance	GH - 31/3/2026
Complete a rewrite of the Constitution	Director - Legal, Compliance & Assurance	TS - 31/3/2026
Delivery of the Medium-Term Financial Strategy	Group Director – Core Business	All CMT members - 31/3/2026

## **Appendix B**

### **Update on Previous Issues raised in the 2023/24 AGS that are not included in Section 4 above.**

<b>AREA</b>	<b>ACTION TAKEN</b>
Children’s Social Care Improvement Programme <ul style="list-style-type: none"> <li>• Family Safeguarding</li> <li>• Feedback from Ofsted</li> <li>• Schedules 2025 Ofsted Review</li> </ul>	Family Safeguarding implementation is well underway and improving outcomes.  No recent feedback from OFSTED. The Annual Conversation with OFSTED will provide this on 26 <sup>th</sup> June 2025
Special Educational Needs and Disabilities (SEND) <ul style="list-style-type: none"> <li>• Delivery of the Accelerated Priority Plan</li> <li>• Dedicated Schools Fund Deficit (High Needs Block)</li> </ul>	The delivery of the SEND Improvement Plan is well underway.  The Delivering Better Value programme by the DFE has been successfully followed.  Dedicated Schools Grant (High Needs Block) remains challenging.
Infrastructure Developments <ul style="list-style-type: none"> <li>• Issues with delivering on the Regeneration Programme/Regeneration Strategy</li> </ul>	The Councils senior re-structure and new operating model have a significant focus on developing bold and visionary Town Strategies harmonised into one Regeneration strategy for the Borough. Alongside side deliverable actions and outcomes that will be measured annually.
Recruitment and Retention <ul style="list-style-type: none"> <li>• Difficulty with recruiting and retaining professional staff</li> </ul>	There continues to be issues with the recruitment and retention of professional staff. In response a new Recruitment Strategy is to be prepared. Standard recruitment operating procedures and ICT systems, together with HR support are to be reviewed. Greater focus is also to be given to hard to fill roles and apprenticeships
Governance – Programmes, Projects and Contract Management <ul style="list-style-type: none"> <li>• Weaknesses in our approach Programme/Project and</li> </ul>	Progress is being made with Contract Management at DMBC. Every contract over £214,000 is now segmented into Bronze, Sliver or Gold depending on the risk determination that is produced from our contract segmentation tool, with

<p>Contract Management</p>	<p>corresponding contract management plans and policies for contract managers to use with them. Gold contracts are now reported to CMT annually for strategic oversight.</p> <p>Current risks include the lack of adherence to the new policy and the complexity of capturing contract management data, both in our finance system and on our e-tendering platform. The next steps are for 2 dedicated contract management posts to be recruited to, to support contract managers and for the procurement team to explore whether a new contract management system needs to be procured, or if the current e-tendering system can deliver the functionality we require. Work is underway to update the finance system to accurately capture individual contract spend.</p>
<p>Housing Property Compliance</p> <ul style="list-style-type: none"> <li>• Regulatory Notice</li> </ul>	<p>There has been significant progress in delivery of the compliance recovery programme implemented in the housing directorate in response to the Regulatory Notice issued by the Regulator of Social Housing in April 2022. The vast majority of actions within the recovery programme are now complete and the ongoing assurance provided to the Regulator of Social Housing during monthly meetings has led to these meetings now being held bi-monthly. A further external compliance audit has been completed during May 2025, and the outcome of the review will be presented to the Regulator on 13<sup>th</sup> June 2025, after which they will decide whether the Regulatory Notice can be lifted.</p>
<p>Care Quality Commission Inspection</p> <ul style="list-style-type: none"> <li>• Readiness for inspection</li> </ul>	<p>Extensive work has taken place to ensure we were ready for CQC inspection. This has included developing robust continuous development</p>

	<p>processes which includes a strong risk management process, a programme management approach to managing and driving improvements, adopting a data driven approach supported by detailed data reports, effective staff development approaches and recognising and celebrating success.</p> <p>We developed a Quality Assurance Framework that has enabled us to both drive improvement in assessment and support planning and also enabled us to identify cases for submission for inspection that showed the range of excellent work taking place across the directorate.</p> <p>We brought in external support from Partners in Care to support preparation for the onsite visit with staff.</p> <p>Our coproduction approach to preparing for and developing our self-assessment and leadership presentation has ensured people who use services, partners and staff are fully engaged with the process and confident about the message that we would like to present.</p>
--	--

**Appendix C****Statutory recommendations made by the External Auditor (January 2024)**

<b>AREA</b>	<b>ACTION TAKEN</b>
<p>Maximise the opportunity for positive movement in the 2023/24 final outturn and 2024/25 budget, thereby reducing the indicative budget gap and the need to use General Fund reserves</p>	<p>The Council has implemented comprehensive cross-organisation pay, procurement and value for money boards to ensure that it manages its 2024/25 spending within budget resulting in a movement from a planned balanced budget using £4.3m reserves to a £16.6m underspend using no reserves. This has resulted in a 143% increase in unearmarked reserves to £27.9m as at 31 March 2025.</p>
<p>Implement the likely steps it would need to take if the S151 Officer was to issue a S151 or if Commissioners were to be appointed by the Government. This includes strictly enforcing spending controls already in place without exception and taking further measures to stop all non-essential spend immediately. For example, we suggest the Council undertakes a comprehensive review of statutory services to determine the minimum level of service legally required. This approach will assist in providing a robust business case in case the Council need to apply for exception financial support.</p>	<p>The risk of issuing a Section 114 notice or Government intervention was averted by the steps taken above and by a robust and challenging 2024/25 budget process which has led to a balanced budget over 5 years and a further growth in reserves of £5m each year thereafter.</p> <p>This included a review of growth in all areas, significant changes to the Council Tax Reduction scheme, a re-basing of corporate costs and a review of fees and charges.</p> <p>As a result, the Council did not need to apply for Exceptional Financial Support.</p>
<p>Identify and develop additional expenditure reduction and income</p>	<p>The actions taken are described above.</p>

<p>generation proposals to fully address the indicative budget gap in 2024/25 of £10.1m as well as the budget gap in the remaining years of the current Medium Term Financial Strategy. These may be temporary short-term savings, but it is important that where possible these should be recurrent savings to address the forecast budget gaps beyond 2024/25.</p>	
<p>Create a prudent centrally held contingency which the S151 Officer can deploy as necessary to manage any in year pressures and fund the cost of change, by developing savings proposals that exceed the indicative budget gap.</p>	<p>The Section 151 Officer now has prudent central provision (kept under review) for managing any in year pressures or shocks which at the same time planning the increase reserves.</p>

## **Appendix D**

### **Dudley Council Governance Structure**

#### **Full Council**

The full Council comprises all 72 elected members. It has responsibility for approving the overall policy framework including the budget. It retains responsibility for certain functions, however, most of its powers and duties are delegated to the Cabinet or committees operating within the decision-making structure set out in the Constitution. The full Council also has a key role in holding the Cabinet to account.

#### **Cabinet**

The Cabinet comprises of the Leader of the council plus 9 other Cabinet Members each with a defined portfolio (or areas of responsibility). The Cabinet meets approximately every 8 weeks, chaired by the Leader of the council. Shadow Cabinet Members and other opposition group leaders attend meetings to speak but not vote. Collectively, the Cabinet makes decisions affecting local services and makes recommendations to the full Council on the overall policy direction. The Cabinet has to make decisions which are in line with the council's overall policies and budget. If it wishes to make a decision which is outside the budget or policy framework, this must be referred to the council as a whole to decide.

#### **Overview and Scrutiny**

Scrutiny Committees undertake in depth scrutiny investigations/ enquiries and contribute to policy development in respect of issues/items falling within their terms of reference. The Committees submit reports and recommendations to the Cabinet and/or full Council on the outcome of scrutiny investigations, enquiries or reviews. An annual report is submitted to the Council.

#### **Statutory and Regulatory Committees**

The Council appoints the following committees to discharge the functions indicated: -

- Appointments Committee - Recommending to the full Council the appointment of a Chief Executive and deciding upon the appointment of Directors.
  
- Audit Committee - The overview of internal and external audit, risk management and fraud.

- 
- Standards Committee – functions relating to local government standards.
  
  - Children’s Corporate Parenting Board - Its role is to secure cross departmental involvement and commitment throughout the council to deliver better outcomes for children in care. The Board is responsible for the implementation of the Corporate Parenting Strategy and subsequent Delivery Plan, which will ensure the most effective means of achieving sustained service improvements.
  
  - Planning Committee - Functions relating to town and country planning and development control, including tree preservation functions.
  
  - Dudley Health and Wellbeing Board is established under Section 194 of the Health and Social Care Act 2012 and operates within its own terms of reference and associated governance arrangements. The Board recognises that the council has a key role to encourage coherent commissioning strategies across the NHS, social care, public health and other partners. The Board deals with the responsibilities of the Local Authority and the GP Consortia for the Joint Strategic Needs Assessment and the Pharmaceutical Needs Assessment. It is also involved in developing a Joint Health and Wellbeing Strategy.
  
  - Ernest Stevens Trusts Management Committee - To undertake the council’s functions as a Trustee in relation to matters concerning the Ernest Stevens Trusts and all Trust land in the Borough.
  
  - Licensing and Safety Committee and Licensing Sub-Committees (x4) - Licensing functions (apart from hackney carriage and private hire licensing), health and safety functions, other than those exercised by the council as employer.
  
  - Taxis Committee - Functions relating to hackney carriage and private hire licensing.