

Financial information

Introducing the 2023/24 budget

Walsall Council's council tax requirement for 2023/24 will be £144.163 million. This is the amount which is raised locally through council tax.

Where does the council's income come from?

Walsall Council has budgeted to spend £721.685 million on council services for 2023/24. This expenditure will be funded from Central Government funding of £20.447 million, retention of locally collected business rates income £71.563 million and other grants, fees and charges of £485.169 million, one off collection fund surplus/use of reserves £0.343 million with the balance of £144.163 million funded from council tax. This is also known as the council tax requirement and equates to 19.98% of the council's gross expenditure. **Table 1** details this further.

TABLE 1	2022/23		2023/24	
	TOTAL £M	PER HEAD £	TOTAL £M	PER HEAD £
Walsall MBC's gross budget	703.985	2,455.33	721.685	2,540.25
Less income (specific grants/fees and charges etc.)	(471.431)	(1,644.24)	(485.169)	(1,707.74)
Add: Collection fund deficit / (surplus)	(0.282)	(0.98)	(1.218)	(4.29)
Less: Business rates income (local share)	(57.984)	(202.23)	(71.563)	(251.89)
Less: "Top Up" Government funding	(18.638)	(65.01)	(20.447)	(71.97)
Sub Total	155.650	542.87	143.288	504.36
Contribution to / (from) reserves	(17.225)	(60.07)	0.875	3.08
Council tax requirement	138.425	482.80	144.163	507.44
Add: WM Police and Crime Commissioner Precept	13.467	46.97	14.707	51.77
Add: WM Fire & Rescue Precept	4.884	17.03	5.301	18.66
Total Demand on the Collection Fund	156.776	546.80	164.171	577.87
Tax Base (expressed in terms of Band D properties)	71,803.35		72,608.66	
Council Tax (Band D)	£2,183.42		£2,261.05	
Broken down as follows:	£		£	
Walsall MBC spending	1,927.84		1,985.48	
WM Police and Crime Commissioners spending	187.55		202.55	
WM Fire & Rescue spending	68.03		73.02	
TOTAL COUNCIL TAX FOR A BAND D PROPERTY	2,183.42		2,261.05	

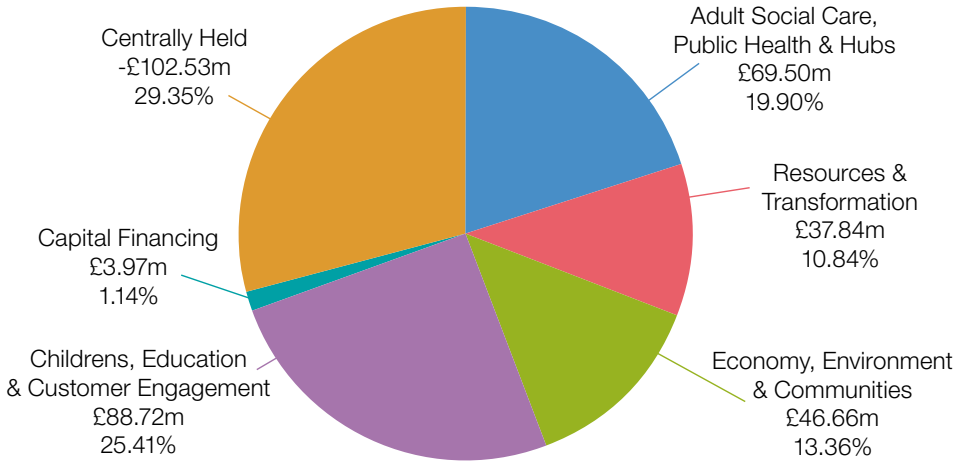
Note: Business rates income (local share) is not comparable between years due to the effects of reliefs given to businesses during the pandemic. The reliefs have been compensated to local authorities via grant allocations. These allocations were paid in advance and held in reserves which is in the main the reasoning behind why the contribution from reserves is higher for 2022/23.



Walsall Council

How does the council spend its budget?

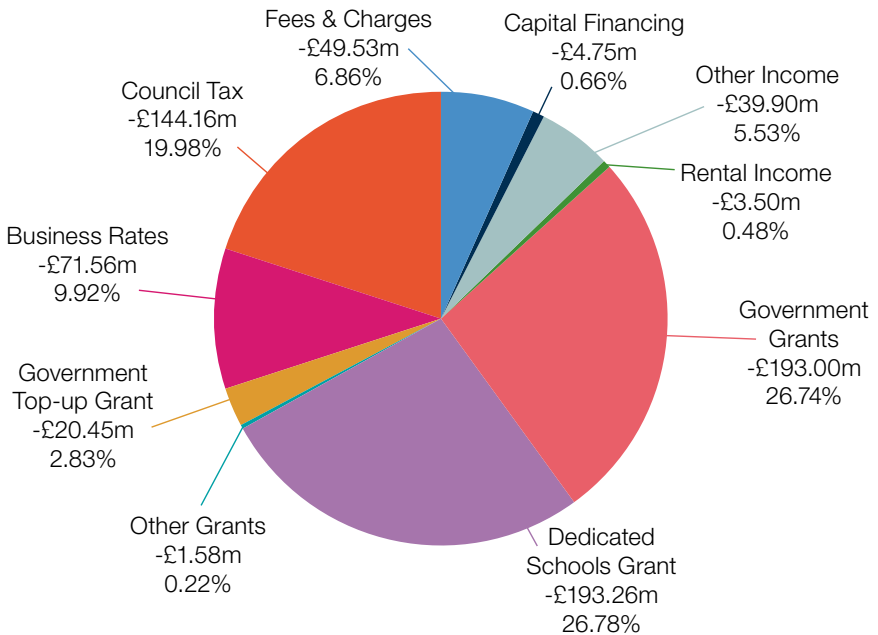
The pie chart shows planned net spend £144.163m (council tax requirement) on services for 2023/24.



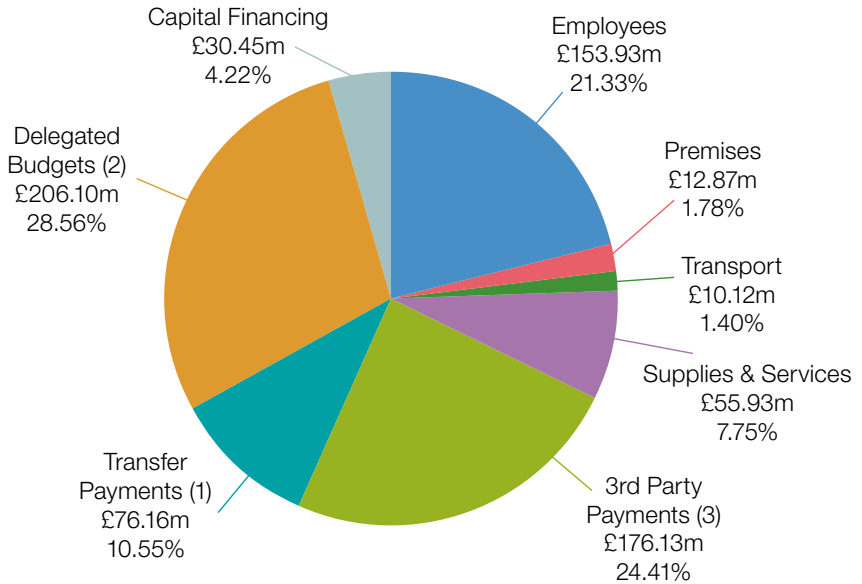
Central budgets – this includes borrowing and leasing costs for the authority, central government funding and our local share of business rates income. It also includes £11.701m Levies – these are charges levied on the authority from the Environment Agency and West Midlands Combined Authority (transport levy).

The following pie charts show the sources of the council's income totalling £721.685m and how it is spent on different categories such as employees, leasing, supplies and services.

Where does the income come from?



How is the budget spent?



1. *Transfer payments include expenditure such as housing benefits, rent allowances and social services direct payments.*
2. *Delegated budgets include budgets for schools.*
3. *Third party payments include payments to external contractors.*

What is council tax and the effect it has on council spending?

Council funding is complex and comes from many sources. The main sources are government grants, business rates, fees, charges and council tax. Government grant funding is worked out using a sophisticated national formula that is applied to all councils. The formula uses demographic and statistical data such as population information and road lengths to work out how much grant each council gets. Because the value of the grant is fixed externally, it is one of the main influences on each council's budget and council tax each year. Because the grant is fixed, any increase in council spending above levels assumed by the government, falls disproportionately on council tax payers. This is commonly known as "gearing".

Government grant funding forms part of the council's gross income. This alongside other grant income, locally retained business rates and fees and charges fund the majority (80%) of the authority's gross expenditure. Any remaining unfunded expenditure has to be sourced via council tax income. For 2023/24 Walsall has increased its council tax by 2.99% in line with government general referendum principles.

Changes are caused by many different factors, including inflation, contract payments, pay awards, changes in demand for services from users, population shifts, new legislation or regulations, service improvements, service redesigns and service efficiencies.

The council also collects council tax on behalf of the West Midlands Fire and Rescue Authority and West Midlands Police and Crime Commissioner. These are both separate organisations over which the council has no control. West Midlands Fire and Rescue Authority have increased the average band D for 2023/24 by £4.99, which equates to 7.33%. West Midlands Police and Crime Commissioner have increased the average band D for 2023/24 by £15, which equates to 8%.

Statement concerning adult social care funding

The Secretary of State made an offer to adult social care authorities. (“Adult social care authorities” are local authorities which have functions under Part 1 of the Care Act 2014, namely county councils in England, district councils for an area in England for which there is no county council, London borough councils, the Common Council of the City of London and the Council of the Isles of Scilly).

The offer was the option of an adult social care authority being able to charge an additional “precept” on its council tax without holding a referendum, to assist the authority in meeting its expenditure on adult social care from the financial year 2016-17. It was originally made in respect of the financial years up to and including 2019-20. If the Secretary of State chooses to renew this offer in respect of a particular financial year, this is subject to the approval of the House of Commons.

The local government settlement for 2023/24 confirmed a council tax referendum limit of up to 5% (4.99% maximum), inclusive of 2% for a social care precept.

The administration have not been minded to include any further increase relating to the adult social care precept element which allowed up to a further 2% increase to be applied, and will not require a referendum to be held.

Capital expenditure

The council’s capital programme will provide investment of £221.005 million in 2023/24. Of this £110.450 million will be funded from council resources and £110.555 million from external grants and contributions. External grants and contributions include £23.569 million for which Walsall is the accountable body on behalf of the Black Country LEP and this funding will be spent over the Black Country/West Midlands Combined Authority region.

This will fund enhancements to council assets, infrastructure improvements and adaptations to vulnerable and older resident’s properties to enable them to promote independence.

West Midlands Combined Authority

The transport levy for 2023/24 will be £11.614m, an increase of £202k over last year. Details of this budget are shown on a separate leaflet.

The Environment Agency

The 2023/24 gross expenditure for the Environment Agency is £78.822 million. £2.268 million of this is funded by levies on the relevant district councils proportionate to their tax base. For Walsall this will be £86,505.

Number of employees

The Council employs 5,593 full time equivalent employees (including those in schools and community associations).

For further details on the council's budget, please contact Vicky Buckley, Head of Finance and Assurance on 01922 652326 or via email at Vicky.Buckley@walsall.gov.uk

For further details in relation to council tax, please contact 0300 555 2851 or via email at counciltax@walsall.gov.uk