

Awaiting final front cover

Walsall Council
Draft Statement of Accounts
2024/25



Walsall Council

Annual financial report 2024/25

Containing the Council's statement of accounts and annual
governance statement

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Introduction to the 2024/25 annual financial statements

Welcome to Walsall Council's Accounts for the year April 2024 to March 2025.

As we all continue to face the cost-of-living issues including high inflation rates it has been another challenging but successful year for Walsall Council.

We have faced continuing funding pressures due to increasing demand for our services, increases in our costs, reductions in our funding and the impact of the cost-of-living crisis affecting us all. Despite these challenges, the Council remained steadfast in delivering against its priorities as set out in the Council Plan (this Plan was superseded by the new 2025-29 plan in January 2025):

- **Economic growth** – Enable greater local opportunities for all people, communities, and businesses.
- **People** - Encourage our residents to lead more active, fulfilling, and independent lives to maintain or improve their health and wellbeing.
- **Internal focus** - Council services are customer focused, effective, efficient, and equitable.
- **Children** - Have the best possible start and are safe from harm, happy, healthy, and learning well.
- **Communities** - Enable our communities so they feel they are connected and belong here in Walsall, meeting housing needs in safe and healthy places building a strong sense of community

The attached statements show that, before applying other central adjustments, the Council recorded an overspend of £2.203 million against the revenue budget. However, after these adjustments the position in these statements reflects an overall underspend of £4.588 million. This final position was achieved whilst delivering £12.03 million on savings and investing £60.63 million into services.

In January 2025, during the financial year, the Council introduced a new Council Plan for 2025–29. The priorities outlined in this plan align with the long-term ambitions of the 'We Are Walsall 2040' vision and are centred around five core themes:

- **Thriving and happy** – Support vibrant, inclusive communities where people feel safe, connected, and able to live well.
- **Healthy and well** – Encourage our residents to live healthier, more independent lives, supported by strong and responsive services.
- **Prosperous and innovative** – Enable greater local opportunity through a growing economy, skills development, and digital innovation.
- **Proud of our borough** – Invest in Walsall as a great place to live, work, and visit, while building local pride and civic engagement.
- **Continuously improving** – Ensure our council services are effective, efficient, inclusive, and constantly improving to meet changing needs.

These priorities are underpinned by five key principles which guide everything we do:

- **Prevention:** Focus on proactive solutions to reduce long-term challenges.
- **Equity:** Ensure inclusivity and fairness in service delivery.
- **Partnership:** Collaborate with local, regional, and national stakeholders.
- **Insight-led:** Use data to inform decisions and improve outcomes.
- **Sustainability:** Balance short-term gains with long-term benefits.

Walsall Council continued to deliver on its ambitious regeneration agenda. The Council secured an additional £20 million through the government's Long-Term Plan for Towns to support the development of Darlaston, complementing the £20 million Levelling Up Fund already allocated to Willenhall and the £21.3 million Town Deal investments for both Walsall and Bloxwich. These investments are now translating into visible progress. Construction has commenced on new railway stations in Willenhall and Darlaston, the Connected Gateway project is reshaping Walsall town centre's infrastructure, and initiatives such as the Bloxwich Launchpad and Creative Industries Enterprise Centre are creating new opportunities for skills, enterprise, and community engagement.

In parallel, the Council is delivering a major infrastructure investment in waste and recycling through a new state-of-the-art waste transfer station and household waste recycling centre at Middlemore Lane in Aldridge. Due for completion in August 2025, the facility will replace the existing Merchants Way HWRC and enhance the borough's waste management capacity, with features including solar panels, green roofs, and a reuse shop supporting the council's net zero ambitions.

Looking ahead, government has initiated several key reforms aimed at transforming how local government funding is allocated, ensuring that resources better reflect local needs and enhance service delivery for communities. These changes follow years of criticism over the existing funding models, which have been outdated and inadequate, especially for more deprived areas. The following highlights the essential elements of the reforms underway:

Fair Funding Review: The government is implementing the Fair Funding Review 2.0, which updates the formulas used to assess the financial needs of local authorities, as the previous formulas had not been revised since 2013-14. This review aims to ensure that funding allocations account for factors such as demand for local services and the varying costs of delivering them in different regions

Multi-Year Financial Settlements: For the first time in a decade, the government will provide multi-year financial settlements to local authorities. This will give councils more stability and certainty over their funding, allowing for better long-term planning and service improvement

Simplification of Funding Streams: There is expected to be a significant reduction in the number of grant streams, consolidating numerous small grants into fewer, larger pots of funding. This aims to streamline administration, reduce bureaucracy, and allow local leaders more flexibility in how they allocate resources to meet local priorities

Focus on Deprivation: The reforms emphasize directing funding to areas of greatest need, particularly where there are higher levels of deprivation and demand for services. This is intended to reduce disparities between councils and ensure that essential services are maintained or improved in struggling communities

Adult and Children's Social Care Funding: Specific measures have been announced to reform funding for adult social care and children's services, including recognizing the rising demand and associated costs. The reforms aim to ensure that funding accurately reflects the pressures faced by these critical sectors.

The government's commitment to reforming local government funding is centred on creating a more equitable, transparent, and efficient system that empowers local authorities to deliver the services residents depend on. These reforms mark a significant shift in how local governments will be funded, addressing the challenges posed by past inadequate models and aiming to foster stronger communities throughout the UK. The ongoing dialogue and implementation of reforms will ultimately aim to rectify longstanding inequities and support local councils in better serving their populations.

I would like to take this opportunity to thank all our staff who have worked throughout the year to deliver quality services within a challenging budget whilst providing value for money and a focus on customers.

Councillor Mike Bird
Leader of the Council
26 June 2025

Narrative report

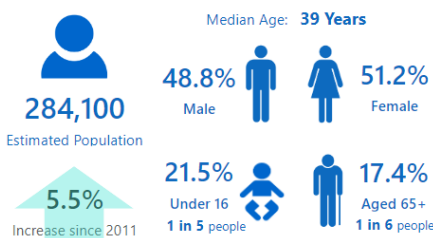
1. Introduction to Walsall

Walsall Council is a local government district in the West Midlands, England, with the status of a metropolitan borough covering an area of 40.14 sq. miles (103.95 km²). It is bounded to the west by the City of Wolverhampton, the south by the Metropolitan Borough of Sandwell, to the southeast by the City of Birmingham, and by the Staffordshire districts of Lichfield, Cannock Chase and South Staffordshire to the east, north and northwest respectively.

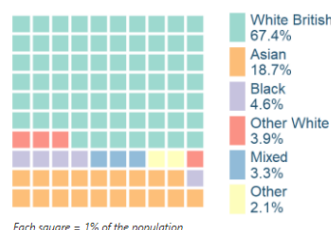
It is named after its largest settlement, Walsall. The borough also consists of five other district centres: Aldridge, Brownhills, Bloxwich, Darlaston and Willenhall; and is densely populated, especially the west of the borough. The borough benefits from extensive countryside particularly towards the east, including greenspace such as Barr Beacon, Pelsall and Brownhill Commons.

Demographic Overview of Walsall

Population



Ethnicity

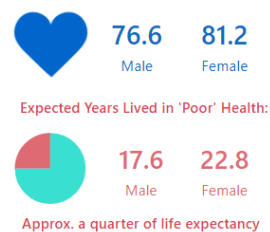


Walsall

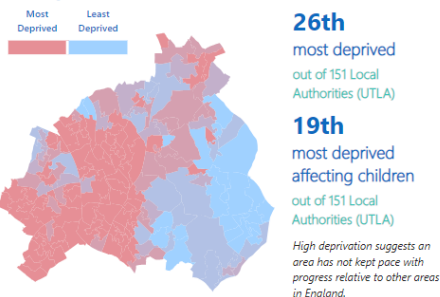
Walsall is situated within the West Midlands and is one of four Local Authorities comprising The Black Country. It contains six urban district centres: Walsall Town Centre lies at the heart of the borough, surrounded by Aldridge, Bloxwich, Brownhills, Darlaston and Willenhall. The borough covers 40sq miles and is bisected by the M6 motorway. Socio-economically, there is a stark geographic divide between the more deprived west and less deprived east.



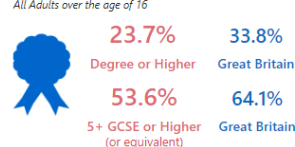
Life Expectancy



Deprivation



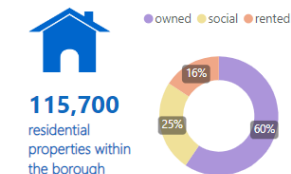
Education



Employment



Housing



Largest Occupations (% of employed residents):

- 1) Carers (6.3%)
- 2) Retail Assistants (5.6%)
- 3) Road Transport (5.3%)
- 4) Storage (3.7%)
- 5) Teaching (3.2%)
- 6) Construction (3.1%)

Council organisation and governance

The Council manages its affairs to ensure the economic, efficient and effective use of resources, the safeguarding of its assets, the management of its risks and to ensure the financial resilience and stability of the organisation into the future. This is vital if the Council is to continue to play a leading role in the life of Walsall's residents and provide high quality services for their benefit. The task is shared by all members and officers under the leadership of the Executive and Executive Leadership Team. The Section 151 Officer has a particular role in ensuring financial stewardship.

Political structure

Walsall is divided into 20 different wards which are each represented by 3 Councillors. This means that the Council consists of 60 Councillors. As at 31 March 2025 the political composition of the Council was 38 Conservative, 13 Labour, 8 Independent Group, 1 Independent.

Walsall Council has adopted a Leader and Cabinet system which makes all the key decisions. Overview and Scrutiny Committees (select committees) hold the Cabinet to account and can ask for decisions to be reviewed.

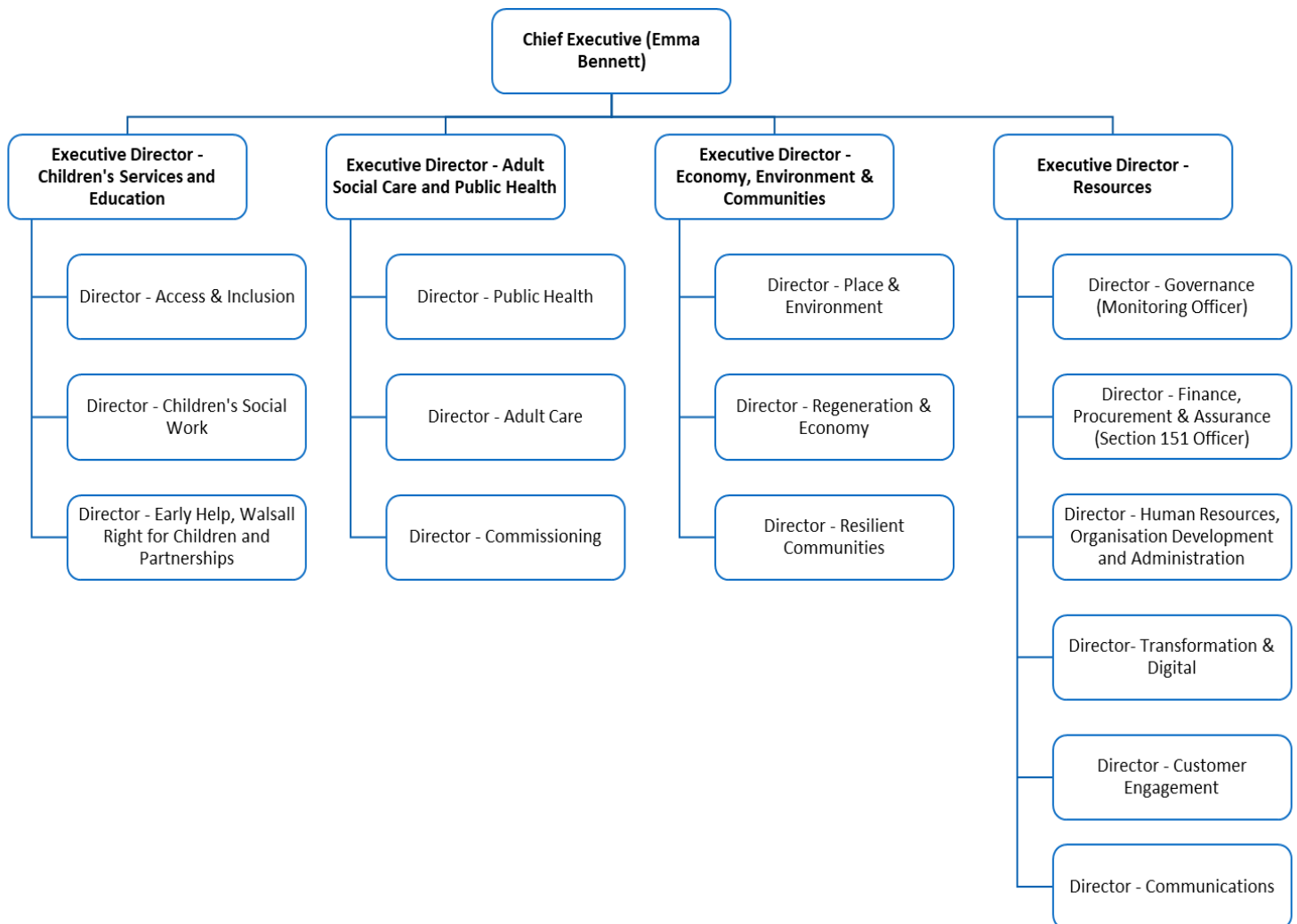
The Council approves major plans and strategies for the Council following review by Cabinet. This includes the Council's budget each year.

The Leader of the Council has responsibility for the appointment of the Cabinet, which consists of 10 members, and the allocation of portfolios. As at 31 March 2025 the portfolios were as follows:

- | | |
|---|----------------------|
| • Leader of the Council, Strategy, Partnerships and Communities | Cllr Garry Perry |
| • Associate Leader, Economic Growth and Regeneration | Cllr Adrian Andrew |
| • Deputy Leader, Finance | Cllr Mark Statham |
| • Portfolio Holder, Education and Skills | Cllr Pard Kaur |
| • Portfolio Holder, Adult Social Care | Cllr Kier Pedley |
| • Portfolio Holder, Street Pride | Cllr Kerry Murphy |
| • Portfolio Holder, Children and Young People | Cllr Stacie Elson |
| • Portfolio Holder, Internal Resources | Cllr Edward Lee |
| • Portfolio Holder, Health and Wellbeing | Cllr Gary Flint |
| • Portfolio Holder, Resident Access and Housing Support | Cllr Amandeep Garcha |

Management structure

Supporting the Council and Cabinet is the Council's Corporate Management Team (CMT). CMT is led by the Council's Chief Executive, Emma Bennett. The current composition is shown below.



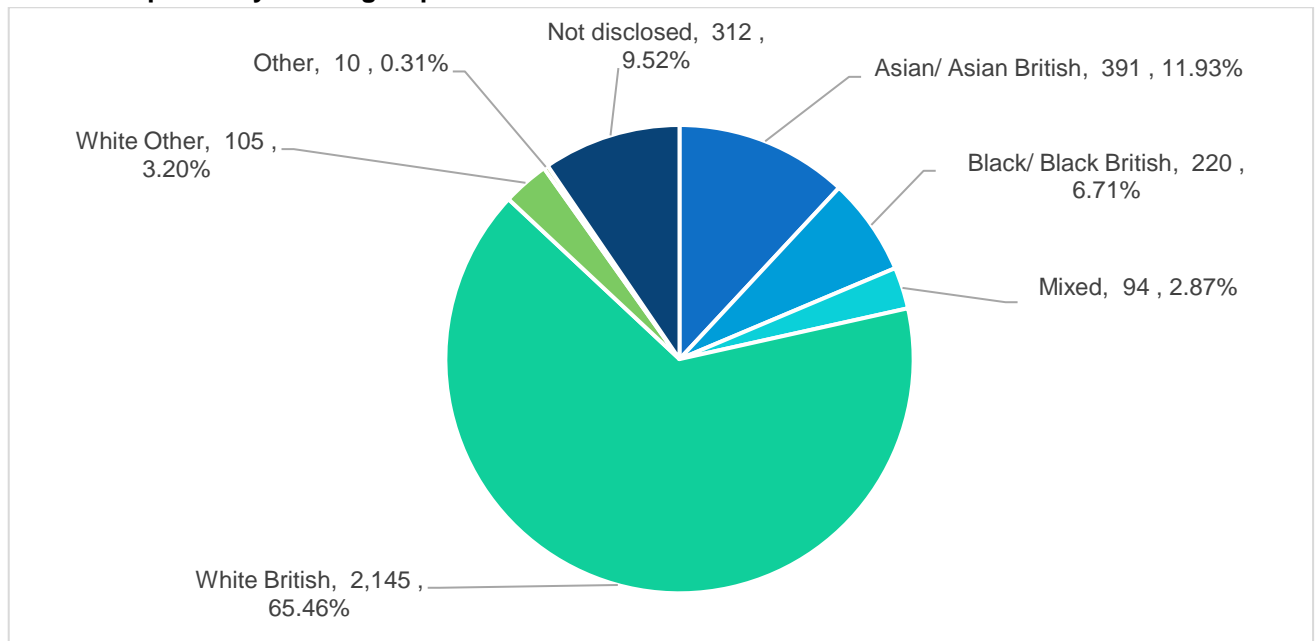
The role of the Corporate Management Team is:

- To provide visible officer leadership to ensure the Council's vision and corporate objectives are delivered.
- To ensure that the Council acts as one organisation to identify and take opportunities to work effectively internally and in collaboration with key partners.
- To promote and ensure excellence in respect of customer service, people management, corporate governance, performance management, financial management and control, risk management and change management.
- To prioritise management action and allocate resources accordingly.

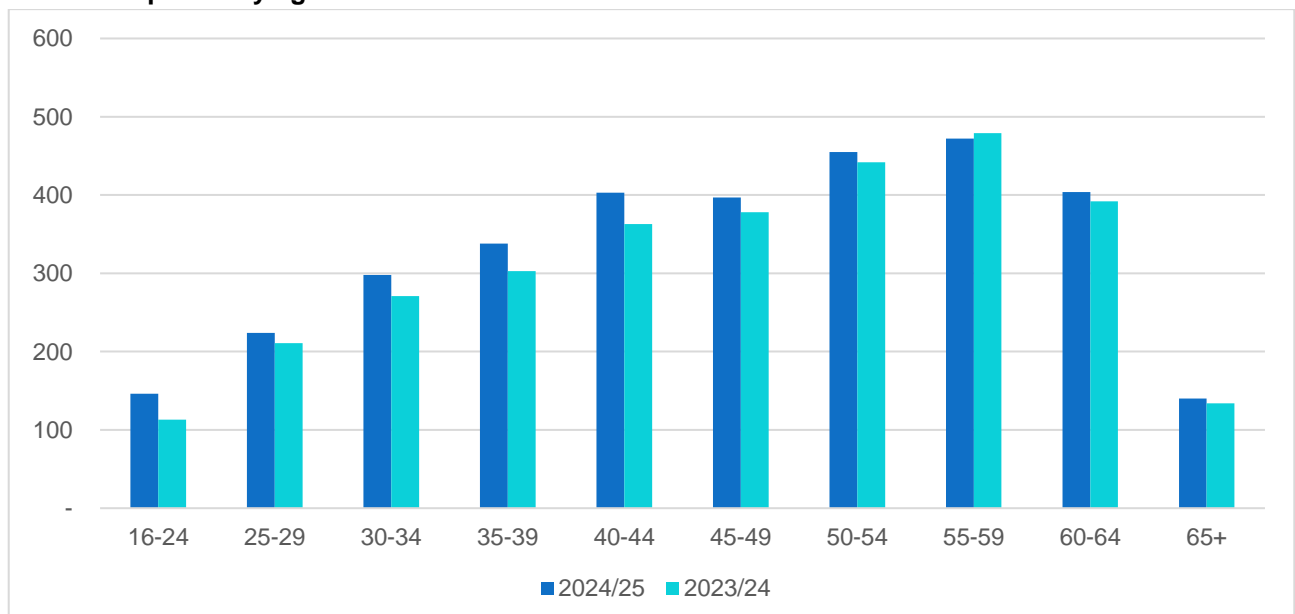
Employee information

As at 31 March 2025 the Council employed 3,277 people (3,086 people as at 31 March 2024) excluding school-based employees. This is split 32.68% male (32.37% 31 March 2024), 67.32% females (67.63% 31 March 2024).

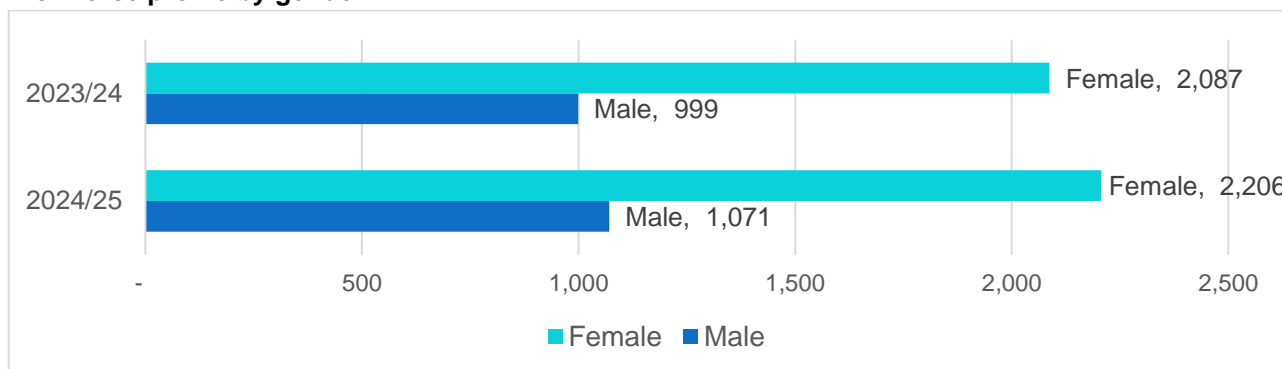
Workforce profile by ethnic group



Workforce profile by age



Workforce profile by gender



The pay multiple recommended for adoption in the public sector was the ratio between the highest paid employee and the median full time equivalent salary of the organisation. The Council's current pay multiple from the highest paid to median pay for all employees is 1:6 which is the same as it was in 2023/24. The Council's current pay multiple from the median pay of Chief Officers within the Executive Leadership Team to the median pay of the Council is 1:5 which is the same as 2023/24.

Council Plan

The Council Plan articulates the strategic direction for the Council and how it intends to measure its success. The Council is committed to reducing inequalities and ensuring all potential is maximised, and its employment policies, procedures and guidelines are designed to support this vision and deliver the Council's priorities.

During 2021/22, the Council took time to learn, listen and understand the changed needs of the Borough, and rebuild the foundation for the longer-term view, which resulted in the revised 2022-25 Council Plan published in February 2022.

The 2022-25 Council Plan set out five areas of focus (EPICC), ten outcomes and twenty markers of success to assess progress in delivery of the plan. The ten outcomes are split over the following areas of focus.

Economic Growth

Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place.

Education, training and skills enable people to contribute to their community and our economy.

People

People can access support in their community to keep safe and well and remain independent at home.

People are supported to maintain or improve their health, wellbeing and quality of life.

Internal Focus

We get things right first time and make all services accessible and easy to use.

The Council will deliver trusted, customer focused and enabling services, which are recognised by customers and our partners for the value they bring.

Children

Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential.

Children and young people grow up in connected communities and feel safe everywhere.

Communities

Our communities will be more resilient and supportive of each other.

The people of Walsall feel safe in a cleaner, greener borough.

The Council's values (Professionalism, Leadership, Accountability, Transparency, Ethical - PLATE) continue to shape how the Council works with our local communities and influence our choices and behaviours.

Performance against delivery against outcomes was reported quarterly to Cabinet with the quarter four report also providing an annual summary of the overall performance of the 2023/24 Council Plan Markers of Success and Key Achievements for the year.

Council services

The Council is grouped into four distinct directorates described below.

Adult Social Care & Public Health

Adult Social Care provides care and safeguarding services for vulnerable adults and older people in the borough. Care and safeguarding are provided to the following groups:

- Adults with mental health needs
- Older people with physical or mental health needs including dementia
- Adults with physical disability or sensory impairment
- Adults with a learning disability
- Adults with autism
- Young people with disabilities who are in transition to adult social care services
- Carers of adults and older people

The services provided include:

- Information, advice and signposting on sources of support
- Individual, family and community capacity building to achieve and retain independence
- Facilitation of access to universal services
- Preventative services that lead to regaining and retention of independence
- Reablement services that lead to regaining and retention of independence
- Client and Health contributions to care
- Support for carers to enable them to undertake and continue their caring role
- Out of hours emergency on call service
- Assessment of need of adults
- Allocation of personal budgets
- Validation and review of support plans

Public Health provides services that aim to improve the health of the people of Walsall and that the local health protection system works effectively. The mandatory functions public health carry out are:

- provide appropriate access to sexual health services
- ensure there are plans in place to protect the health of the population, including immunisation and screening plans, and reducing drug and alcohol misuse
- ensure NHS commissioners (Clinical Commissioning Groups) receive the Public Health advice they need
- deliver the National Childhood Measurement Programme (NCMP)
- encourage take up of NHS Health Check assessments.

Children's Services & Education

Walsall Children's Services holds a statutory duty to safeguard and promote the welfare of children and young people across the borough. This includes delivering services that protect children from

harm, support families to stay together where safe and appropriate, ensure that children in care and care leavers receive high-quality, stable placements and support and ensuring that every child in Walsall has the chance of a good quality education. Underpinned by the Walsall Right for Children (WR4C) transformation programme, the service is committed to early intervention, prevention, and co-production with families to ensure that “the right children are in the right place with the right support for as long as it’s needed. These responsibilities are delivered through a continuum of services including early help, statutory social work, safeguarding, and corporate parenting, all of which are governed by national legislation and local strategic frameworks such as the Placement Sufficiency Strategy and the Quality Assurance Framework

Services are arranged into three interlinked areas providing the following services:

Children’s Social Care

- *Services for children in need of help and protection*
- Children looked after and care leavers
- Participation of Children, young people and families
- Services for children with disabilities and complex needs
- Transition arrangements between Children’s and Adult Social Care
- Locality family help
- Corporate Parenting
- Residential Services
- Family Placement services
- Safeguarding review and support
- Safeguarding arrangements

Early Help and Partnership

- Early intervention and prevention services (including Youth Offer and Parenting)
- Youth justice service
- Family Hubs programme
- Holiday Activities and Food Programme
- Commissioning Service
- Children & Young People Alliance
- Safeguarding Partnership Board

Education including Access & Inclusion

- Education (including admissions, attendance, school estates and sufficiency, virtual schools, standards and performance of schools, Early years and school governance)
- Special education needs and disabilities (SEND) service (including assessments, educational psychologists, specialist support and home to school transport)

Economy, Environment & Communities

Economy, Environment & Communities is split into three operational areas: Regeneration and Economy, Place and Environment and Resilient Communities, providing a wide range of services to the people of Walsall.

The services provided under each operational area include:

Regeneration and Economy

- Regeneration & Development (including Employment Growth and Skills)
- Cultural Assets
- Strategic Housing (including Housing Standards and Improvement)
- Planning Services and Building Control

- Corporate Landlord

Place and Environment

- Operations Services (including Waste Management, Street Cleansing, Grounds Maintenance, Countryside Service, Fleet Services)
- Leisure (including Active Living Centres)
- Bereavement and Registration Services
- Markets
- Environment - Healthy Spaces (including Parks and Open spaces)
- Highways Maintenance
- Pollution Control
- Strategic Transport
- Parking
- Road Safety
- Engineering
- Traffic Management
- Soft Facilities Management
- Emergency Planning

Resilient Communities

- Localities and Partnerships
- Voluntary and Community Sector/One Walsall
- Equalities & Community Cohesion
- Libraries & Local History Centre
- Community Safety Unit
- CCTV
- Prevent
- Domestic Abuse
- Licensing Applications
- Trading Standards
- Licensing Enforcement
- Community Protection (including Anti-Social Behaviour, Statutory Nuisance and Environmental Crime enforcement)
- Environmental Health

Resources & Transformation

Resources and Transformation consists of the following services:

- Human Resources
- Organisational Development and Admin & Business Support
- Health & Safety
- Governance (including Elections)
- Finance, Procurement & Assurance
- Corporate Performance
- Programme Management
- Transformation and Digital (including DaTS, Information Governance and Transformation programme)
- Communication, Marketing & Brand and The Hub

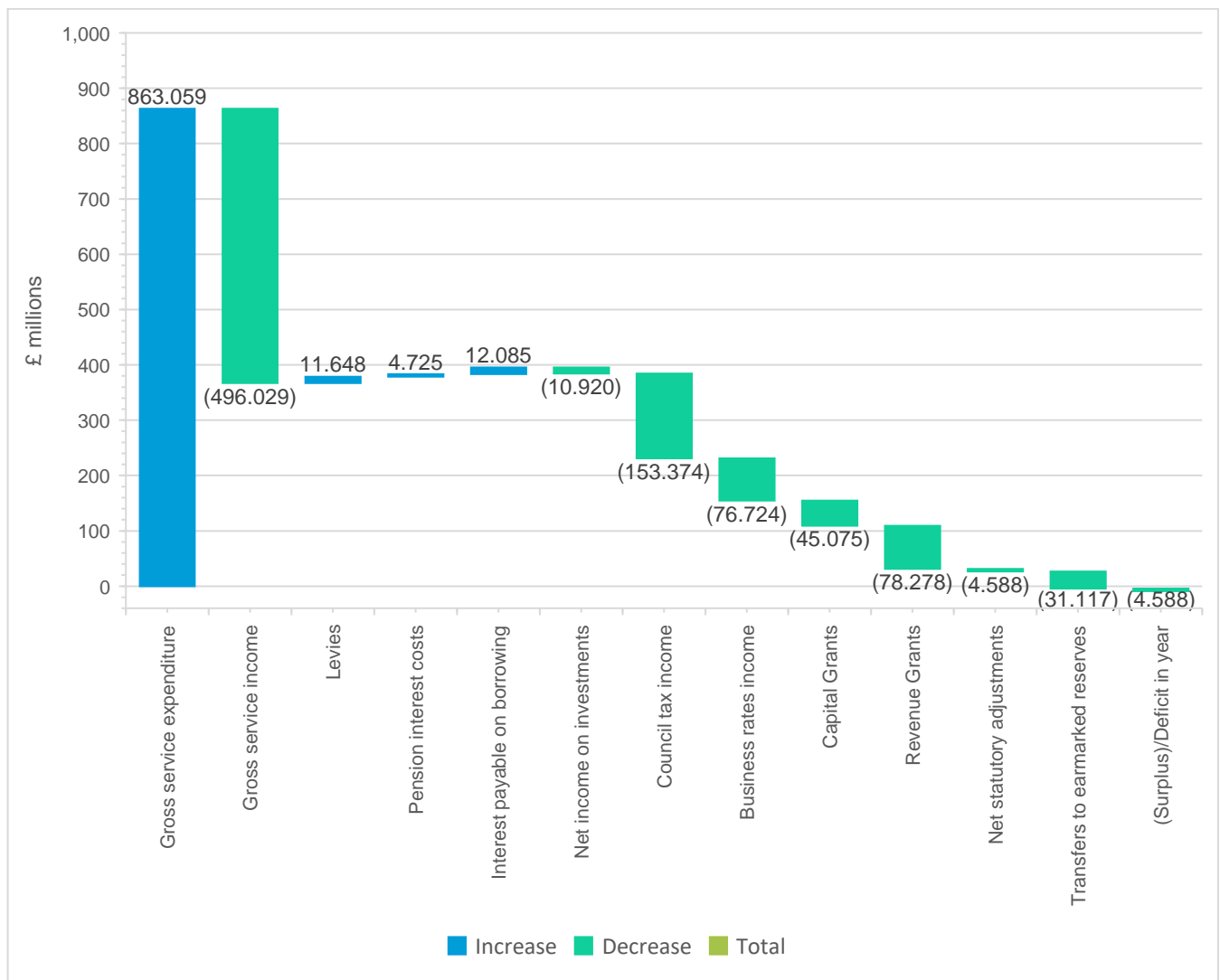
2. Financial performance highlights

The Council's expenditure is divided into two broad categories: revenue and capital. Revenue expenditure relates to day-to-day spending such as salaries, purchase of services and materials for the provision of Council services, and heating and lighting of Council premises. Capital expenditure relates to the purchase/renewal of major items such as land and buildings and the construction of essential infrastructure such as roads.

Revenue expenditure

The Council approved a net budget of £152.032 million for 2024/25 at its full meeting on 22 February 2023. The budget included a 4.99% increase in Council Tax, investment in services of £60.630 million and savings of £17.326 million to be delivered through the Council's service transformation plans.

The 2024/25 comprehensive income and expenditure statement shows a net cost of services of £367.030 million comprised of £863.059 million expenditure and £496.029 million income. Taking other expenditure and income items such as levies, interest expenditure and income, Council tax, business rates, other grants, movement to reserves and statutory adjustments into account, the position excluding other central adjustments reflects an underlying overspend of £2.203 million. However, after applying these adjustments the 2024/25 outturn position is an underspend of £4.588 million against budget as shown in the graph below. Further details of the Council's performance against budget can be found in note 2 (page 36).



The split by directorate of the £2.203 million overspend and adjustments is shown in the following table.

	2024/25
	£m
Adult Social Care & Public Health	5.163
Childrens Services(excluding education)	3.227
Education	1.514
Economy, Environment and Communities	2.370
Resources and Transformation	(1.761)
Corporate items	(8.310)
Service (under)/overspend in year	2.203
Other central adjustments	(6.791)
Total (under)/overspend in year	(4.588)

Services have faced significant challenges shaped by the impact of global dynamics and evolving national priorities. Inflation remained above the Bank of England's 2% target and impacted on our energy costs, third party contracts and contributed to increasing pay costs. Tightening labour market and shortage of the availability of key skills has further increased inflationary pressures. As a result of the increasingly difficult economic conditions, demographic trends and systemic issues demand and cost associated with the provision of adult and children's social care, special educational needs and home to school transport have continued to increase. The financial outturn position reflects these challenges which have led to the organisation overspending in 2024/25.

Adult Social Care and Public Health

The service was unable to achieve £4.570 million of planned savings in 2024/25 and experienced significant increase in both demand and the cost of existing placements resulting in an overspend of £5.163m.

Children's Services

The overspend of £3.227 million is attributable to increased average cost of placements, inflationary cost increases linked to Independent Fostering Agency framework retender and the increased demand within children's social care.

Education

The unfunded Dedicated Schools Grant (DSG) deficit increased significantly during the financial year and represents the most significant financial risk facing this council. This position is similar to other councils and the solution, in the main, requires national reform. Increased demand and increase in average costs linked to market pressures within home to school transport has resulted in an overspend of £1.514 million.

Economy, Environment and Communities

The key drivers of the overspend of £2.370 million are fall in demand for bereavement services due to increased competition and increase in recycling cost due to co-mingled waste.

Resources and Transformation

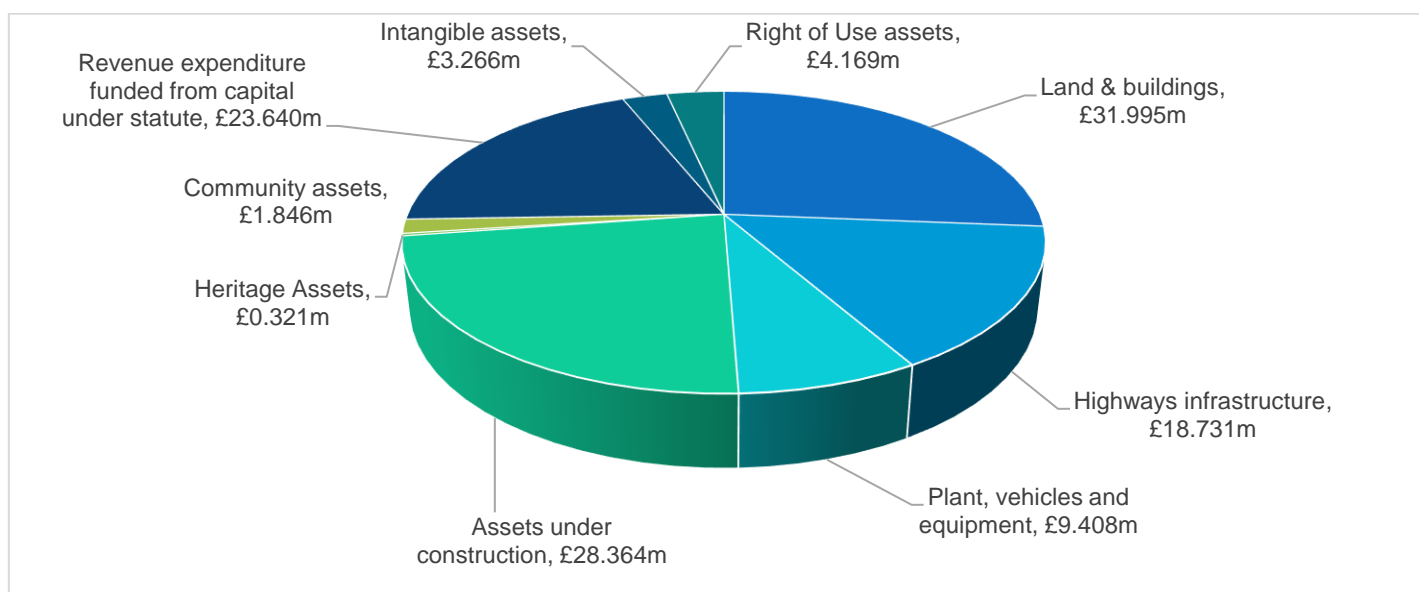
The areas within Resources and Transformation (Procurement, Executive Leadership Team, Communications, Finance, Assurance, Legal and Governance, Digital and Technology Services, Human Resources and Customer Engagement) had a net underspend of £1.761 million due to reductions in staffing costs and maximisation of external funding as well as reductions in hardware and software contracts.

Corporate Items

The position in relation to Corporate Items reflects the effective management of borrowing cost and higher returns on investments than planned. There was also a one-off dividend payment paid in year which was not expected. The review of earmarked reserves carried out during the year enabled the release of £4.300 million to be used as mitigating action against the overall financial position. All of the above contributed to the underspend within corporate items.

Capital expenditure

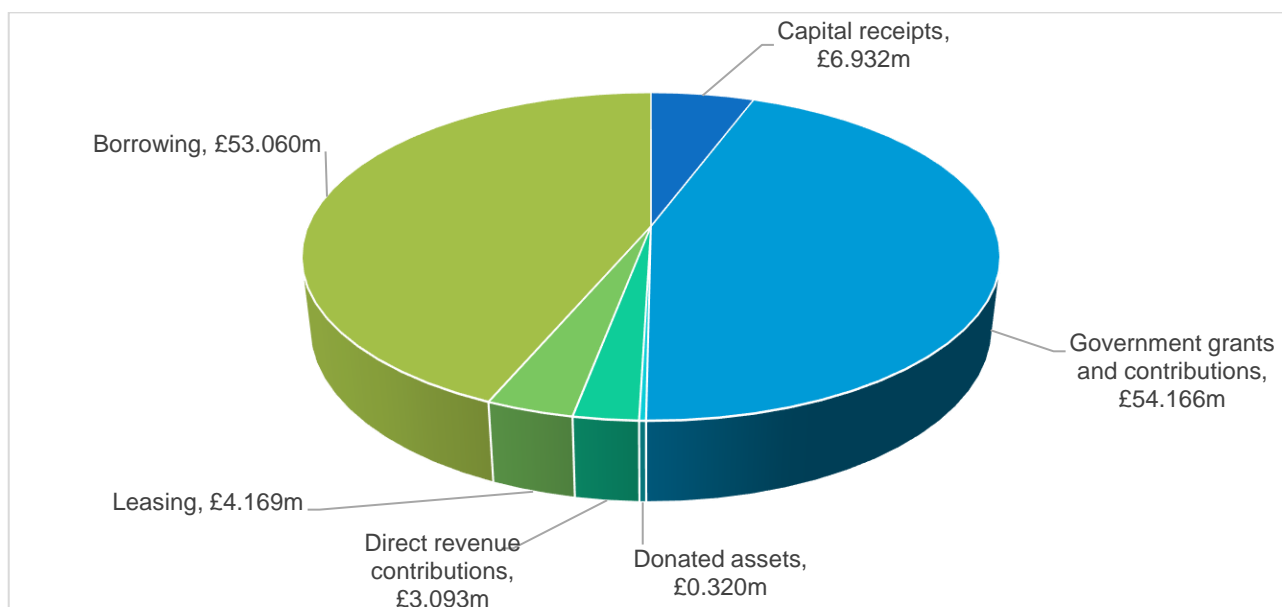
During 2024/25 the Council had £121.740 million of capital investment (£91.230 million in 2023/24). The split of capital investment between different asset categories is shown in the following chart.



Revenue expenditure funded from capital under statute is where the Council has either:

- Provided capital grants to individuals or organisations where the use of the grant would be classed as capital if carried out by the Council.
- Carried out work on assets not belonging to the Council that would be classed as capital if owned by the Council.

The financing of this capital investment was from a variety of sources such as borrowing, grant funding, capital receipts and revenue. The following chart outlines the funding of this investment.



Major capital programmes

Future High Streets Fund

The Future High Streets Fund scheme is focused on creating a 'coherent transport gateway' that better connects the bus station and rail station and will span over the heart of Park Street. The cost of this scheme is estimated to be approximately £40 million, £11.440 million being funded from Government grant with the remaining being funded by the Council. This is an increase of £3.5 million on the cost disclosed in 2021/22 due to cost inflation and the increased scope of project. As part of the project, a £6.547m contract for the delivery of the Bradford Mall works at the Saddlers Centre has been signed and this is currently being delivered. A contractor to deliver the rest of the project will be appointed in early 2025-26.

Walsall and Bloxwich Town Deals

Walsall Council, with the support of key project stakeholders, successfully submitted Town Deal Investment Plans for both Bloxwich and Walsall into Central government's Towns Fund. Following the development, independent appraisal, and approval of Business Cases for eleven projects across the two towns, £42.6 million of government funding was secured.

Building on this success, Cabinet approved match funding/underwriting totalling £5.5 million and officers secured an additional £17.7 million of external funding, creating a Town Fund programme that's currently worth approximately £66 million. Work continues at pace to implement these projects and includes, but is not limited to, content design, land and property acquisitions and planning applications, together with associated delivery and staffing arrangements etc. The combined overall capital expenditure profile forecast for the Towns Fund programme will meet Central government's expectations and falls within the spend targets for the 2025/26 financial year.

Willenhall Framework Plan: Moat Street and Villiers Street (Phase 1)

Willenhall has been identified as an area for strategic intervention to support a targeted programme of activity to regenerate the area. The planned opening of the new railway station and promotion of the Walsall to Wolverhampton Inclusive Growth Corridor provides an opportunity to promote Willenhall as a priority for housing delivery and sustainable growth.

Cabinet supported the Willenhall Framework Plan at its meeting in February 2022 and approved the use of Compulsory Purchase Powers in-principle (where land cannot be acquired by agreement) to facilitate delivery of the Phase 1 housing project at Moat Street / Villiers Street as well as agreeing budget to support land assembly. Since that time negotiations with landowners regarding acquisition have continued while a development partner procurement process has been completed, and an outline planning application has been submitted to the Local Planning Authority. As agreement with landowners could not be reached, it has been determined that a Compulsory Purchase Order enquiry was required, and this was held in 2024/25. Once the land assembly stage is complete, a Developer Partner is in place for the remediation and development of the site. In addition, the Council has been awarded £14.9 million from Central government's Levelling Up Fund (Round 2) and £3.2 million from West Midlands Combined Authority's (WMCA) Land & Property Investment Fund (LPIF) to form part of the project funding package.

Phoenix 10/SPARK

The Council is working in partnership with Homes England on the remediation of the Phoenix 10 site following which the site will then be developed providing substantial new employment floorspace and significant job creation. Henry Boot Developments (HBD) has been appointed as development partner by Walsall Council and Homes England. HBD has instructed John F Hunt Regeneration to undertake the site remediation with this phase beginning in April 2022.

The site has been rebranded as SPARK and is now being marketed by HBD's joint agents with a view to securing occupiers. The total cost of this project is estimated to be £43 million, £35 million being funded by a grant from the Black Country Local Enterprise Partnership and the remainder by Homes England. Most of the expenditure has now been incurred, with final retention payments due in December 2025 and February 2026 and the project is now nearing completion.

[Middlemore Lane waste transfer station and household recycling centre](#)

The Council is at present in the process of constructing a new waste transfer station and household recycling centre. With a suitable site having been acquired, the Morgan Sindall Construction Ltd RIBA Stage 4 Cost Plan was higher than the approved budget due to increased costs on groundwork, service infrastructure, higher supply chain prices and the installation of odour control units and ventilation system for the waste transfer station. A budget increase of £4.6 million has been approved and the revised budget for the scheme is now £42.3 million. The construction phase for the project commenced in April 2024 and handover of the site is due in August 2025.

[Treasury management](#)

Walsall Council has a successful treasury management strategy that has continued to maximise investment income and minimise interest payments without undue or inappropriate exposure to financial risk.

The Council places great importance on the management of the security of all investments. This risk is minimised through the annual investment strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria. The annual investment strategy also considers maximum amounts and time limits in respect of each financial institution.

The Council ended 2024/25 with short-term investments of £10.004 million (£8.093 million 2023/24). Use of these investments will be required to fund those capital projects currently underway where completion is due beyond 31 March 2025 and for the planned use of earmarked reserves in future years.

In addition to these investments the Council also has £55.361 million (52.942 million in 2023/24) cash and cash equivalents. These include cash held in the Council's bank accounts and short-term deposits with financial institutions that can be withdrawn without penalty.

The 2024/25 target investment income rate for all investments excluding property funds was 4.00%; however, as at 31 March 2025 the actual rate achieved was 4.91%. At the point of budget setting, the Bank of England Base Rate was 5.25% following a period of successive rate increases. Interest rate forecasts were suggesting gradual decreases in short, medium and longer term interest rates from 5.25% to 4% by March 2025. By November 2024 it had become clear that inflation was sticking, and it was envisaged that rates would stay higher for longer. This had a direct impact on investment returns. In cash terms this means the Council received £4.477 million (£4.997 million in 2023/24) of investment income. This is in addition to £6.271 million (£1.437 million in 2023/24) of dividend income from holdings in the CCLA Local Authorities Property Fund and Birmingham Airport.

At 31 March 2025, the Council's external long-term borrowing was £277.630 million (£250.312 million as at 31 March 2024). Short-term borrowing as at 31 March 2025 was £27.630 million (£3.213 million as at 31 March 2024). Long-term borrowing of £40 million was undertaken during 2024/25 to help support the capital programme.

The interest costs associated with this debt represent 3.62% of the net Council tax requirement for the year, at an average interest rate of 4.29% compared to the target interest rate for the year of 5.46%.

3. Material disposals in year and liabilities incurred

Material asset disposals in year

During 2024/25 there were five school academy conversions:

- Bentley West Primary School
- New Invention Primary School
- Christchurch CE Primary School
- New Leaf School
- Whitehall Nursery & Infant School

This resulted in a net disposal loss to the Council of £14.163 million. In addition to the academy conversions the Council also disposed of 8 other properties or sites along with 1 freehold reversion totalling £4.770 million. In conclusion the disposals brought in £9.296 million of capital receipts.

Pensions liabilities

The West Midlands Pension Fund is formally valued every three years (triennial) by an independent actuary to set future contribution rates with the most recent valuation as at 31 March 2022 being published on 31 March 2023. However, the value for the pension fund reported within these accounts is an accounting valuation, as defined by International Accounting Standard 19 – Employee Benefits and is carried out on an annual basis. It is therefore prepared on a different basis to the formal Pension Fund valuation.

The Council's actuary, Hymans Robertson, advised that the Council's net pension position in relation to its share of the West Midlands Pension Fund had changed from a net liability of £15.756 million (excluding pension ceiling) as at 31 March 2024 to a net asset of £154.449 million as at 31 March 2025. This movement was primarily due to better than forecast performance of pension assets during 2024/25 due to market conditions.

Due to the Council's share of the pension fund moving into a net asset position the Council has applied an asset ceiling as required by IAS19 and IFRIC 14. Implementing the asset ceiling has reduced the net asset position by £250.468 million (£87.930 million in 2023/24) to a net liability position of £96.019 million (liability of £103.685 million in 2023/24). More detail on the implications of this can be found at Note 12f page 64.

It must be noted that pension fund valuations are based on a moment in time and are subject to financial conditions during the year. As such whilst economic conditions are volatile, this will lead to volatility within pension valuations as clearly demonstrated in recent years.

The formal pension fund valuation carried out on 31 March 2022 was in part to assess the current funding level of the pension scheme to determine the required contribution rates for the next three years, 2023-2026. The funding level is the percentage cover that the schemes assets can cover pension liabilities and was assessed to be as at 31 March 2022 103%. This was an improvement of 9% from the previous assessed funding level as at 31 March 2019 of 94%.

The current funding strategy of the West Midlands Pension Fund is to ensure that the scheme remains fully funded (100%) in 17 years with current contribution rates being set accordingly. The next triennial valuation will be as at 31 March 2025 and will set contribution rates for the period 2026-29.

4. Looking forward

The Council's budget is a financial representation of the organisation's plans for the forthcoming financial year and beyond. In times of economic uncertainty, it is imperative that the Council plans over the medium term. The Council's budget reported to full Council on 26 February 2025 looks to the medium term 2026/27 to 2028/29 and aligns with the Council Plan 2025–2029. The Council Plan 2025–2029 has been informed by the We Are Walsall 2040 vision, a revised Medium Term Financial Framework (MTFF), and a number of internal and external strategies and assessments. The budget plan aligns to the Council Plan outcomes.

In 2026/27 and beyond, the Council will continue to need to meet demands and challenges arising from the ongoing impact of the cost-of-living crisis on our residents, businesses, and stakeholders. The medium-term financial outlook is under review, in preparation for the 2026/27+ budget setting process. The Council is also continuing to use learning from the new ways of working implemented through the transformation programme, including digital innovation and data-driven decision making, to further align resources with an improved outcomes-based budgeting focus. This is aligned to the Council Plan 2025–2029, Commissioning Strategy and ways of working to drive Value for Money through the budget process, reviewing what the Council is spending, why the Council is spending it, how it contributes to Council outcomes, and whether resources could be reprioritised to achieve improved overall performance.

The Local Government Finance Settlement for 2025/26 confirmed a one-year settlement only, with no change to the current funding formula. The Review of Relative Needs and Resources and changes to Business Rates Retention are currently out for consultation for implementation in 2026/27 alongside a multi-year settlement. There is still a lot of unknown quantities of what the funding will be for future years at this point but a multi-year settlement will aid budget setting in future years and give some more stability to the Council's finances.

Alongside reductions in government funding, the Council also faces increasing cost pressures due to rising inflation and increasing service demand.

The following summarises initiatives, demand and other pressures that have and will continue to have financial implications for the Council over the coming years:

- The existing and future unknown impact of the cost-of-living crisis on Council services, including continued inflationary pressures. This affects all services including pay, energy, fuel, borrowing costs, contracted services, and service usage levels as a result of reduced household incomes.
- Changes in core government grant funding, including:
 - The outcome of the Fair Funding Review (Review of Relative Needs and Resources) and full Business Rate Retention for 2026/27 onwards;
 - The continuation or potential reduction of specific grants being rolled into the general funding and the merging of specific grants into one larger grant in line with what was done in the 2025/26 settlement and the continued Government proposals to roll this out further in future years.
- Increases and changes in demand, including:
 - Significant pressures within adult social care. Adult care package and placement costs have continued to rise, with a total increase of £52.0 million from £68.7 million in 2017/18 to £120.7 million in March 2025 – an increase of 75.7%.
 - Increased demand for home-to-school transport and support services linked to social care and education needs.

- Government's continued reliance on individual Council's ability to raise income through Council tax increases, rather than providing national ongoing funding to support social care pressures, etc.
- The impact of the continued delayed adult social care reforms.

Nationally, a significant number of authorities are experiencing difficulties managing the increasing demand for high needs support against the funding that is available within the High Needs block of DSG and Walsall is no exception. Due to the increasing deficit, Walsall developed and embedded its DSG Management Plan. The DSG management plan covers a rolling 5-year period and sets out the estimated High Needs funding that the authority will receive over that period, the likely demand for high needs support and estimated cost of provision. Assuming the successful implementation of all actions included in the DSG Management Plan, the mitigated position by the end of 2027/28 is forecast to be £117.49m, the table below shows the forecasted position of the DSG plan year on year, the deficits presented are forecasted balances and the table does not reflect actualised DSG deficits.

DSG Management Plan Mitigated Position						
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m	£m
In Year Deficit	0.53	6.87	24.58	26.86	29.09	29.56
Cumulative Deficit	0.53	7.40	31.98	58.84	87.93	117.49

There is currently a statutory override in place set by Central Government allowing local authorities to exclude DSG deficits from the council's wider financial position. This is due to end 31 March 2028. Until a permanent solution can be found the DSG deficit remains one of the biggest risks to the financial sustainability of the Council. In the recent Spending Review Central Government announced funding for a national reform and a white paper is expected in the Autumn setting out the principles for the way forward.

The Council remains committed to long-term financial sustainability, effective prioritisation, and aligning resources to meet its priorities and statutory responsibilities.

5. Sustainability reporting

The Council declared a climate emergency in September 2019 with a target to become a Net Zero authority by 2050 in line with the UK Governments Climate Change Act 2008 (2050 Target Amendment; Order 2019).

In October 2022 the Council updated the scope and target date to achieve carbon neutrality. The Council committed to work with all relevant partners and stakeholders to make the whole borough Net Zero by 2041 in line with the regional target agreed by the West Midlands Combined Authority.

Strategy

The Council has declared a climate emergency 2019 and committed to work with all relevant partners and stakeholders to make the whole borough Net Zero by 2041 in-line with the regional target agreed with the West Midlands Combined Authority. To provide a pathway to deliver its Net Zero target the council has developed its Walsall Net Zero 2041 Strategy. This strategy details 20 climate change priorities. These priorities are broken down into 104 actions in an accompanying Walsall Council Net Zero Action Plan (2025 -2028). The strategy and action plan were adopted by the council in February 2025.

The Council's Climate Change taskforce meets on a quarterly basis to oversee delivery of the council Net Zero action plan. All Cabinet reports include a section on climate change to ensure environmental impacts are embedded into decision making. Climate change is included on the Council's strategic risk register.

Sustainability reporting

The council uses the Local Government Association GHG carbon monitoring tool to assess council scope 1 and 2 greenhouse gas emission, and the Oxygen Insights tool to estimate scope 3 emissions (those GHG emissions resulting from procured goods and services). It uses national statistics published by Dept. of Energy Security and Net Zero (DESNZ) to monitor geographic emissions. These figures are collated to generate an annual estimate of council and regional greenhouse gas emissions. This data will be combined with progress on the 104 actions in the Walsall Net Zero action plan to produce an annual report.

Energy

The council has an adopted Strategic Asset Plan for the period 2022-2027 which includes an energy strategy to minimise demand, improve efficiency and reduce carbon emissions. Cabinet has also approved the Walsall Net Zero 2041 Strategy which sets out the council's approach to the transition to a net zero borough. Public Sector Decarbonisation Scheme (PSDS) grant funding has been received for decarbonisation schemes for the Council House and Civic Centre, New Art Gallery and Bloxwich Launchpad buildings and the council is in active discussions with West Midlands Combined Authority for funding for future programmes of decarbonisation projects. A solar panel installation has been completed at Oak Park Active Living Centre funded by Sport England.

The council has completed the upgrade of 23,000 streetlights to LED technology, reducing annual electricity consumption by 8,042,207 kWh's and associated reductions in carbon emissions of 1607 tonnes.

Waste & consumption

Following the implementation of the Environment Act and associated regulations, the Council is in the process of refreshing its waste strategy with the intention reducing waste by 10% and of reaching a 65% recycling rate by 2035. The Council has made significant investment in its waste infrastructure with projects to improve its household waste and recycling centres and construct a new material recycling facility as part of regional joint venture. The new facility is set to open in Autumn 2025. Future ventures also include the introduction of kerbside food waste collections in 2026.

Transport

The Council has collaborated with partners across the combined authority area on a new Local Transport Plan (LTP). This will include significant improvement to public transport infrastructure, including the new train stations in Darlaston and Willenhall. These stations are due to open in early 2026. In addition, a new train station proposal is also being developed for Aldridge. Proposals for the second phase of the SPRINT bus rapid transit scheme on the A34 are in development. Significant government funding has been awarded to increase the number of EV charge points, and the council has begun a programme of charge point installation in residential streets.

Nature

The Council continues to deliver a range of projects to enhance the borough's parks and green spaces, focusing on increasing meadow, wetland, and green areas in Walsall. Over the past three years, 52 hectares of planting has taken place. The Purple Horizons project, which won the WMCA best biodiversity project delivered by a local authority in 2024, continues to thrive and expand its impact.

Resilience

The Council's business continuity plans are reviewed and updated annually to maintain resilience against potential service disruptions. This will be revisited again once the council restructure is in place. Business continuity remains a key strategic risk and is included on the Council's corporate risk register. The Walsall Multi-Agency Flood Plan is currently being updated and will be subject to consultation in the near future. We are currently producing a Walsall Borough Risk Register with our Borough partners. This year will also see an increased focus on staff training and exercising, both within the Council and in collaboration with partner organisations through the West Midlands Conurbation Local Resilience Forum.

6. Structure of accounts

The annual statement of accounts is a statutory publication required under the Accounts and Audit Regulations 2015 as amended. They are prepared in accordance with the Chartered Institute for Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code) on a going concern basis. The Code specifies the principles and practices of accounting required to give a true and fair view of the Council's financial position at the end of the year and the transactions of the Council during the year.

The layout of the 2024/25 Statement of Accounts is comprised of:

- Core Financial Statements and associated notes
- Group Accounts
- Supplementary Financial Statements and Notes for the Collection Fund

These are explained in more detail below.

a. Statement of responsibilities for the statement of accounts

This section explains the respective responsibilities of the Council and the chief finance officer (CFO) in relation to the annual accounts. The Council is responsible for ensuring that there are proper arrangements in place for financial administration, ensuring that value for money is achieved and approving the annual accounts. The CFO is responsible for selecting and applying accounting policies, keeping accurate and timely accounting records, taking reasonable steps for the prevention and detection of fraud, and complying with proper accounting practice as defined by the Code.

b. Core financial statements

Comprehensive income and expenditure statement (CIES)

This statement records the Council's income and expenditure for the year on an accounting basis applying generally accepted accounting practices (as amended by the Code). The top half of the statement provides an analysis by directorate, the net cost of services. The bottom half of the statement deals with corporate transactions and funding. This is different to the amount funded from taxation as required by statutory regulations. The funding position is shown in the expenditure and funding analysis.

Movement in reserves statement (MIRS)

This statement shows the movement in the year on the different reserves held by the Council, analysed into 'useable reserves' (i.e., those that can be applied to fund expenditure or reduce local taxation) and other reserves.

Balance sheet

The balance sheet shows the value of the assets and liabilities recognised by the Council, as at 31st March 2025. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council.

Reserves are reported in two categories. The first category of reserves is useable reserves, i.e., those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that can only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Council is not able to use to provide services. This includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets were sold; and reserves that hold timing

differences shown in the Movement in Reserves Statement line 'adjustments between accounting basis and funding basis under regulations'.

Cash flow statement

The cash flow statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income, or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e., borrowing) to the Council.

c. Expenditure and funding analysis (EFA)

The expenditure and funding analysis is designed to demonstrate to Council tax and rent payers, how the funding available to the Council (i.e., government grants, rents, Council tax and business rates) for the year has been used in providing services, in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

d. Notes to the core financial statements

These are disclosure notes that present further detail behind the figures in the core financial statements.

e. Collection fund

The collection fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the Council in relation to the collection from taxpayers and distribution to local authorities and Central Government of Council tax and business rates.

f. Changes of accounting policies in 2024/25

There has been a change to the council accounting policies in relation to leases. This has been due to the introduction of IFRS 16 Leases into local authority accounts. The impact of this change in policy can be seen in Note 1a page 36. The accounting policies can be found as note 38 on page 103.

Statement of responsibilities

The Council's responsibilities

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Director – Finance, Procurement & Assurance (Section 151 Officer).
- Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets.
- Approve the statement of accounts.

The Section 151 officer's responsibilities

The chief financial officer is responsible for the preparation of the authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this statement of accounts, the Section 151 officer has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the Code.

The Section 151 Officer has also:

- Kept proper accounting records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certification by the Section 151 Officer

I, the Section 151 Officer of Walsall Metropolitan Borough Council, certify that this statement of accounts gives a true and fair view of the financial position of the authority at the reporting date and of its expenditure and income for the year ended 31 March 2025.



Shaun Darcy

Director – Finance, Procurement & Assurance (Section 151 Officer)

27 June 2025

Approval of Statement of Accounts

The statement of accounts was approved by the Walsall Council Audit Committee on XX September 2025.

Mr A Green

Chair of the Audit Committee

XX September 2025

Independent auditor's report to the members of Walsall Council on the audit of the financial statements

Report on the audit of the financial statements

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Core financial statements

Comprehensive income and expenditure statement (CIES)

This statement summarises the Council's annual financial performance on an accounting basis. However, the amounts chargeable to Council tax and general fund reserves for the year are controlled by legislation. These include several statutory adjustments and transfers to specific reserves. The effect of these statutory transactions is shown in the Movement in Reserves Statement and Note 3. Further information about the CIES can be found in Note 2.

	2024/25			2023/24			Notes
	Gross Expenditure £m	Gross Income £m	Net Expenditure £m	Gross Expenditure £m	Gross Income £m	Net Expenditure £m	
Adult Social Care & Public Health							
Adult Social Care	171.692	(74.592)	97.100	155.933	(64.110)	91.823	2a, 2e
Public Health	22.697	(1.766)	20.931	20.543	(0.840)	19.703	2a, 2e
Childrens Services and Education							
Childrens Services	94.012	(10.859)	83.153	86.431	(10.649)	75.782	2a, 2e
Education	284.051	(243.187)	40.864	246.290	(227.405)	18.885	2a, 2e
Economy, Environment & Communities	124.996	(43.260)	81.736	126.517	(47.602)	78.915	2a, 2e
Resources & Transformation	150.229	(87.698)	62.531	149.072	(103.159)	45.913	2a, 2e
Corporate items	15.382	(34.667)	(19.285)	4.281	(26.812)	(22.531)	2a, 2e
Cost of services	863.059	(496.029)	367.030	789.067	(480.577)	308.490	
Other operating expenditure			17.019			13.053	2e, 2f
Financing & investment net expenditure			5.229			9.612	2e, 2g
Taxation & non-specific grant income			(353.771)			(338.873)	2e, 2h
(Surplus) or deficit on provision of services			35.507			(7.718)	2d
(Surplus)/deficit arising on revaluation of non-current assets			(3.442)			(2.913)	30a
Impairment losses charged to the revaluation reserve			0.868			1.311	30a
(Surplus)/deficit from investments in equity instruments			4.295			(2.654)	30b
Re-measurements of the net pension liability			0.441			17.507	13b, 30d
Other comprehensive income and expenditure			2.162			13.251	
Total comprehensive income and expenditure			37.669			5.533	

Movement in reserves statement (MIRS)

This statement shows the movement in year for reserves held by the Council split into usable reserves (those that can be applied to fund expenditure) and unusable reserves (held for accounting purposes only). This statement shows how the movements in the Council's reserves are broken down between gains and losses shown in the CIES (page 32) and the statutory adjustments required to result in the amounts chargeable for Council tax in year (Note 3). The (surplus)/deficit line shows the statutory general fund movements in the year following those adjustments.

	Usable reserves						Unusable reserves		Total reserves of the authority £m	Notes
	General fund balance £m	Earmarked general fund balances £m	Total general fund balances £m	Capital grants unapplied account £m	Capital receipts reserve £m	Total usable reserves £m	Statutory revenue balances £m	Capital accounting balances £m		
Balance at 31/03/2023 carried forward	(18.701)	(199.224)	(217.925)	(57.075)	(10.847)	(285.847)	107.592	(233.509)	(411.764)	
Total comprehensive income and expenditure	(7.718)	0.000	(7.718)	0.000	0.000	(7.718)	17.507	(4.256)	5.533	CIES
Statutory adjustments between accounting basis and funding basis	17.558	0.000	17.558	(8.004)	3.595	13.149	(6.491)	(6.658)	0.000	3
Transfers to/from earmarked reserves	(10.698)	10.698	0.000	0.000	0.000	0.000	0.000	0.000	0.000	29a
(Surplus) / deficit in year	(0.858)	10.698	9.840	(8.004)	3.595	5.431	11.016	(10.914)	5.533	
Balance at 31/03/2024 carried forward	(19.559)	(188.526)	(208.085)	(65.079)	(7.252)	(280.416)	118.608	(244.423)	(406.231)	
Total comprehensive income and expenditure	35.507	0.000	35.507	0.000	0.000	35.507	0.441	1.721	37.669	CIES
Statutory adjustments between accounting basis and funding basis	(8.978)	0.000	(8.978)	1.374	(6.932)	(14.536)	(9.745)	24.281	0.000	3
Transfers to/from earmarked reserves	(31.117)	31.117	0.000	0.000	0.000	0.000	0.000	0.000	0.000	29a
(Surplus) / deficit in year	(4.588)	31.117	26.529	1.374	(6.932)	20.971	(9.304)	26.002	37.669	
Balance at 31/03/2025 carried forward	(24.147)	(157.409)	(181.556)	(63.705)	(14.184)	(259.445)	109.304	(218.421)	(368.562)	

Balance sheet

The balance sheet shows the Council's overall financial position as at 31 March 2025. It details how much the Council owns and how much it owes. The Council's net assets (what is owned less what is owed) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category, usable reserves, are those reserves that the Council and schools may use to provide services. The second category, unusable reserves, represents those that the Council is not able to use to provide services but are used for accounting purposes.

	As at 31 March 2025 £m	As at 31 March 2024 £m	Note
Long term assets			
Property, plant and equipment	596.237	555.780	15
Heritage assets	25.249	31.479	16
Investment property	2.504	2.255	17
Intangible assets	19.291	18.549	18
Right of use assets	6.964	0.000	21a
Long-term investments	53.198	56.994	23
Long-term debtors	11.875	13.747	26c
	715.318	678.804	
Current assets			
Short-term investments	10.004	8.093	23
Assets held for sale	3.966	0.502	19
Inventories	0.252	0.235	
Short-term debtors	108.137	115.330	26a, 26b
Cash and cash equivalents	55.361	52.717	25
	177.720	176.877	
Current liabilities			
Short-term borrowing	(27.630)	(3.213)	23
Short-term creditors	(107.359)	(82.740)	27a
Revenue grants received in advance	(1.687)	(0.406)	4c
Provisions	(3.837)	(6.488)	28
	(140.513)	(92.847)	
Long-term liabilities			
Provisions	(0.578)	(0.540)	28
Long-term borrowing	(281.329)	(250.610)	23
Net pension asset/(liability)	(96.018)	(103.684)	13c
Other long-term liabilities	(6.038)	(1.768)	27b
	(383.963)	(356.602)	
Net assets	368.562	406.232	
Usable reserves	(259.445)	(280.416)	29
Unusable reserves	(109.117)	(125.816)	30
Total reserves	(368.562)	(406.232)	

The unaudited accounts were issued on 27 June 2025, and the audited accounts were authorised for issue on XX September 2025.

Signed: 
Shaun Darcy

Date: 27 June 2025

Director – Finance, Procurement & Assurance (Section 151 Officer)

Cash flow statement

The cash flow statement shows the changes in cash and cash equivalents of the Council during the year. It shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. Net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

	2024/25 £m	2023/24 £m	Notes
Net (surplus) or deficit on the provision of services	35.507	(7.718)	CIES
Adjustments to net surplus or deficit on the provision of services for non-cash	(68.601)	(17.384)	31
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	66.459	70.479	31
Net cash (inflows)/outflows from operating activities	33.365	45.377	
Interest, dividends and other lease income & expenditure			
Interest paid	11.257	11.184	
Interest received	(2.376)	(3.359)	
Dividends	(8.364)	(3.528)	
Other lease income	(0.029)	0.000	
Other lease expenditure	0.108	0.000	
	0.596	4.297	
Investing activities			
Purchase of property, plant and equipment, investment property and intangible assets	90.613	55.949	
Purchase of short-term and long-term investments	245.014	193.697	
Other payment from investing activities	0.000	1.808	
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(13.864)	(2.356)	
Proceeds from short-term and long-term investments	(243.014)	(248.500)	
Other receipts from investing activities	(61.295)	(72.207)	
	17.454	(71.609)	
Financing activities			
Cash receipts of short - and long-term borrowing	(57.115)	(15.000)	
Other payments from financing activities	0.249	1.558	
Repayments of short- and long-term borrowing	2.807	32.653	
	(54.059)	19.211	
Net (increase)/decrease in cash and cash equivalents	(2.644)	(2.724)	
Cash and cash equivalents			
- at the beginning of the reporting period	(52.717)	(49.993)	25
- at the end of the reporting period	(55.361)	(52.717)	25
Movement in cash (increase)/decrease	(2.644)	(2.724)	

Notes to the accounts

1. Change in accounting policies and other prior period adjustments

a. IFRS16 Leasing

The Council has applied IFRS16 as at 1 April 2024 as adopted by the CIPFA Code of Accounting Practice. The main impact of the new requirements is that arrangements previously accounted for as operating leases (i.e. without recognising the leased property as an asset and future rents as a liability) a right-of-use asset and a lease liability are to be brought onto the balance sheet as at 1 April 2024. Leases for items of low value and leases that expire on or before 31 March 2025 are exempt from the new arrangements.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right-of-use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024/25 and not by adjusting prior year figures. However, some practical expedients have been applied as required or permitted by the Code:

- Lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024, discounted by the authority's incremental borrowing rate at that date
- The weighted average of the incremental borrowing rates used to discount liabilities was 4.95%
- Right-of-use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the balance sheet on 31 March 2024 – any initial direct costs have been excluded
- All leases were assessed as to whether they were onerous at 31 March 2024, so right-of-use assets have not been subject to an impairment review.

This has resulted in the following additions to the balance sheet:

- £3.353 million property, plant and equipment right of use assets (£0.750 million land & buildings, £2.603 million vehicles and equipment)
- £2.718 million non-current creditors (lease liabilities)
- £0.635 million current creditors (lease liabilities)

The newly recognised lease liabilities of £3.353 million compare with the operating lease commitments of £6.246 million at 31 March 2024 shown in the notes to the 2023/24 financial statements. When these are discounted to their present value of £2.589 million (using the incremental borrowing rate at 1 April 2024), there is a difference of £0.764 million from the newly recognised lease liabilities. This is explained by the fact that the lease liabilities exclude amounts for leases of low value items and leases that will expire before 31 March 2025.

b. Organisational changes

The council has reorganised its structure during 2024/25 following a review by senior management. This has led to some services changing directorates. The services on the face of the CIES of the 2023/24 accounts that moved are shown in the following table.

Directorate/Service on 2023/24 CIES	From	To
The Hub	Adult Social Care & Public Health	Resources & Transformation
Customer Engagement (Housing Standards)	Children's Services	Economy, Environment & Communities
Customer Engagement (Excluding Housing Standards)	Children's Services	Resources & Transformation
Property Services	Resources & Transformation	Economy, Environment & Communities

The movements between the different directorates are shown in the following table.

Movements due to change in reporting	Total movement	
	Gross Expenditure £m	Gross Income £m
Adult Social Care, Public Health & The Hub		
Adult Social Care	0.000	0.000
The Hub	(5.350)	0.942
Public Health	0.000	0.000
Children's Services and Customer Engagement		
Children's Services	0.000	0.000
Education	(0.025)	0.000
Customer Engagement	(92.930)	79.007
Economy, Environment & Communities	46.643	(19.542)
Resources & Transformation	51.662	(60.407)
Corporate items	0.000	0.000
Cost of services	0.000	0.000

2. Additional information on reported income and expenditure

a. Additional analysis of cost of services

The following table further analyses the cost of services shown on the comprehensive income and expenditure statement into operational units.

Service	2024/25			2023/24		
	Gross Expenditure £m	Gross Income £m	Net Expenditure £m	Gross Expenditure £m	Gross Income £m	Net Expenditure £m
<u>Adult Social Care & Public Health</u>						
Adult Social Care	171.692	(74.592)	97.100	155.933	(64.110)	91.823
Public Health	22.697	(1.766)	20.931	20.543	(0.840)	19.703
	194.389	(76.358)	118.031	176.476	(64.950)	111.526
<u>Childrens Services and Education</u>						
Children's Social Work	83.722	(6.562)	77.160	75.834	(5.822)	70.012
Commissioning and Early Help	10.290	(4.297)	5.993	10.597	(4.827)	5.770
Education	284.051	(243.187)	40.864	246.290	(227.405)	18.885
	378.063	(254.046)	124.017	332.721	(238.054)	94.667
<u>Economy, Environment & Communities</u>						
<u>Place and Environment</u>						
- Highways and Transport	26.054	(4.924)	21.130	15.552	(4.599)	10.953
- Waste collection and disposal	16.548	(4.046)	12.502	13.720	(3.656)	10.064
- Facilities management	7.741	(6.982)	0.759	7.706	(6.260)	1.446
- Leisure, parks and open spaces	10.797	(7.092)	3.705	6.868	(6.194)	0.674
- Grounds and street cleansing	4.631	(0.226)	4.405	4.623	(0.213)	4.410
- Other	10.014	(4.920)	5.094	20.906	(4.819)	16.087
<u>Regeneration and Economy</u>						
- Corporate Landlord	25.634	(5.449)	20.185	26.018	(8.216)	17.802
- Housing Standards and Improvements	6.069	(1.111)	4.958	12.894	(5.066)	7.828
- Planning Services and Building Control	3.047	(1.141)	1.906	3.027	(1.672)	1.355
- Cultural Services	3.061	(2.733)	0.328	2.615	(2.566)	0.049
- Other	2.384	(2.389)	(0.005)	4.122	(2.417)	1.705
Resilient Communities	9.016	(2.247)	6.769	8.466	(1.924)	6.542
	124.996	(43.260)	81.736	126.517	(47.602)	78.915
<u>Resources & Transformation</u>						
Finance and Assurance	36.668	(12.664)	24.004	35.032	(25.791)	9.241
Housing Benefits	60.119	(58.056)	2.063	62.403	(61.730)	0.673
Governance	6.184	(1.351)	4.833	5.446	(0.438)	5.008
Human Resources and Development	9.813	(1.155)	8.658	8.630	(1.164)	7.466
Transformation & Digital	16.744	(1.311)	15.433	17.457	(1.000)	16.457
Other	20.701	(13.161)	7.540	20.104	(13.036)	7.068
	150.229	(87.698)	62.531	149.072	(103.159)	45.913
Corporate items	15.382	(34.667)	(19.285)	4.281	(26.812)	(22.531)
Cost of services	863.059	(496.029)	367.030	789.067	(480.577)	308.490

As explained in Note 1 a number of services changed directorate following a review by senior management. The realignment of services was carried out to ensure that services were put into more appropriate directorates. This has resulted in the prior year comparatives being adjusted to ensure comparability between years.

The increase in adult social care expenditure of £15.8 million is mainly due to an increase in service demand of £12.6 million and an increase of £1.9 million in strategy, commission and delivery support expenses.

Increase in Adult Social Care income of £10.5 million is a result of several issues. An increase of £2 million of fees and charges and £3.8 million of Government grants and contributions, as a result of increase in demand services. An increase in health and social care government contributions of £3.3 million, and an increase of £1.5 million in strategy, commissioning and delivery support government income.

Children's Social Work expenditure has increased by £7.9 million. This is a result of an increase of £1.4 million in children social care management, and £4.3 million increase in corporate parenting demand.

The increase in Education expenditure of £37.8 million is due to several reasons. Accountable body expenditure increased during the year by £28.1 million, home to school transport expenditure increased by £1.6 million. Primary school expenditure increased by £2.4 million, there was a £1 million increase in secondary school expenditure and a £1.3 million increase in special school expenditure.

Highways and Transport expenditure increased by £10.5 million, this is due to a recognition of £11.9 million Highways Maintenance expenditure being recognised within Highway and Transport costs in the current financial year, whereas this was previously recognised as other costs. There is also an additional £1.1 million increase in public lighting costs.

Waste collection and disposal expenditure increased by £2.8 million this was mainly due to the increase expenditure of £2.5 million in waste disposal and household waste recycling centre costs.

The increase in Leisure, parks and open spaces expenditure is a result of £3.9 million increase in parks and open spaces costs, along with £1.1 million increase in active living centre expenditure.

Place and Environment Other expenditure decreased by £10.8 million, primarily due to £11.1 million in Highway Maintenance costs, which were recorded under Other Costs in 2023/24 but are classified under Highways and Transport Expenditure in 2024/25.

Corporate landlord income decreased by £2.8 million, this was mainly a result of the reduction of £2.2 million in asset management income.

The reduction of Housing Standards and Improvements expenditure of £6.8 million is mainly due to a reduction of £6.8 million of REFFCUS expenditure.

The decrease of £4 million in Housing Standards and Improvements income is mainly a result of the reduction of £4.2 million in REFFCUS Grant income.

The reduction in Regeneration and Economy Other expenditure of £1.7 million is mainly due to the £1 million reduction in development costs.

Finance and Assurance income has decreased by £13.1 million for various reasons. Black country LEP income decreased by £15.7 million, and programme management income increased by £2.4 million.

Human Resources and Development expenditure increased by £1.2 million this is mainly due to the £1.2 million increase in human resource specialist services expenditure.

Corporate items expenditure has increased by £11.1 million, this mainly due to the increase in centrally held premises expenditure of £2.7 million, and supplies and services expenditure of £4.3 million.

The increase of £7.9 million of corporate items income is mainly due to the increase in centrally held government grant-ringfenced income of £7.6 million.

b. Walsall Council's reported outturn position

The comprehensive income and expenditure statement (CIES) shows the Council's income and expenditure on an IFRS (international Financial Reporting Standards) basis and is therefore comparable to other types of organisations both within the public sector and beyond. The accounting basis for reporting overall results however does not reflect how the Council manages its finances in practice.

In governance terms the Council is accountable to Council taxpayers for the outturn position on the General Fund reserve. The amounts chargeable to a local authority's Council taxpayers for the year is substantially different to that reported as the net expenditure position within the CIES. These amounts chargeable are controlled by legislation and include several statutory adjustments and transfers to/(from) specific reserves. These adjustments are designed to ensure that the amounts chargeable to Council taxpayers for the year are a fair reflection of the services provided to them. All the Council's internal reporting of its financial position is therefore focussed on the outturn position on its General Fund.

The following table reflects the actual reporting within the Council of the outturn positions for the General Fund in terms of the Council's organisational structure.

Outturn position for Walsall Council

	2024/25			2023/24		
	Net outturn £m	Budget £m	(Under)/ over budget £m	Net outturn £m	Budget £m	(Under)/ over budget £m
Adult Social Care & Public Health						
- Adult Social Care	96.510	91.347	5.163	86.955	73.285	13.670
- Public Health	0.103	0.103	0.000	(0.028)	(0.028)	0.000
Childrens Services						
- Childrens Social Care & Early Help	80.952	77.725	3.227	70.844	67.747	3.097
- Education	19.638	18.124	1.514	16.618	13.958	2.660
Economy, Environment and Communities	74.248	71.878	2.370	65.192	65.032	0.160
Resources and Transformation	53.236	54.997	(1.761)	45.997	47.260	(1.263)
Corporate items	(170.452)	(162.142)	(8.310)	(142.273)	(123.091)	(19.182)
Total Council Tax requirement	154.235	152.032	2.203	143.305	144.163	(0.858)
Council Tax precept from collection fund	(152.032)	(152.032)	0.000	(144.163)	(144.163)	(0.000)
Total cost of providing Council services	2.203	0.000	2.203	(0.858)	0.000	(0.858)
Approved creation of earmarked reserves and release of earmarked reserves no longer required	(6.791)	0.000	(6.791)	0.000	0.000	0.000
(Surplus)/deficit to general fund	(4.588)	0.000	(4.588)	(0.858)	0.000	(0.858)

c. Expenditure and Funding Analysis

The following table shows a reconciliation of how the Council's outturn position (Net expenditure charged to general fund) is adjusted to arrive at the net expenditure shown for each directorate in the comprehensive income and expenditure statement (net reported expenditure in CIES). The adjustments required have been grouped as follows:

- Capital accounting adjustments are those transactions required to reflect capital activities on an accounting basis, but which are not proper charges to the revenue account. They include depreciation, impairment, revaluations losses and the recognition of capital grants received.
- Pensions accounting adjustments are the entries required to reflect the differences between pensions expenditure for the year on an accounting basis and the actual pension contributions payable by the Council for the year. Further details are given in note 13b.
- Other statutory adjustments include transfers to or from the collection fund adjustment account, the financial instruments adjustment account and the accumulated absences account, all of which are used to affect the timing of amounts being debited or credited to the revenue account in line with statutory requirements.
- Not reported in net cost of services includes items that are reported within other operating expenditure, financing & investment net expenditure and taxation & non-specific grant income on the comprehensive income and expenditure statement but are reported within the directorate net expenditure within the Cabinet outturn statement. It also includes items which are charged only within the movement in reserves statement such as the Council's minimum revenue provision, revenue contributions used to finance capital expenditure and transfers to or from earmarked reserves. Transfers to or from earmarked reserves are included here as, although these are included in the reported outturn position, they do not represent income or expenditure for the Council.

The table also identifies amounts relating to items which are required to be shown outside of directorate net cost of services within the comprehensive income and expenditure statement.

Expenditure and Funding Statement 2024/25

2024/25						
	Net expenditure charged to General Fund £m	Capital accounting adjustments £m	Pensions adjustments £m	Other statutory adjustments £m	Not reported in Net Cost of Services £m	Net reported expenditure in CIES £m
Adult Social Care & Public Health						
Adult Social Care	96.510	(0.299)	(0.950)	(0.010)	0.669	97.100
Public Health	0.103	0.000	(0.066)	0.000	(20.762)	20.931
Childrens Services						
Children's Services	80.952	(0.560)	(1.675)	(0.020)	0.054	83.153
Education	19.638	(11.025)	(3.495)	(25.048)	18.343	40.864
Economy, Environment & Communities	74.248	(31.170)	(2.497)	(0.022)	26.200	81.736
Resources & Transformation	53.236	(10.444)	(2.366)	(0.023)	3.538	62.531
Corporate items	(177.243)	(6.389)	1.211	2.280	(155.060)	(19.285)
	147.444	(59.887)	(9.838)	(22.843)	(127.018)	367.030
Other operating expenditure	0.000	(5.371)	0.000	0.000	(11.648)	17.019
Financing & investment net expenditure	0.000	0.249	(4.725)	0.498	(1.251)	5.229
Taxation & non-specific grant income	(152.032)	45.395	0.000	3.768	152.576	(353.771)
Total cost of providing Council services as per outturn	(4.588)	(19.614)	(14.563)	(18.577)	12.659	35.507
Transfer (to)/from earmarked reserves	31.117	0.000	0.000	0.000	31.117	0.000
Total cost of providing Council services	26.529	(19.614)	(14.563)	(18.577)	43.776	35.507

Reconciliation of general fund balances	Total £m	General fund reserve £m	Earmarked general fund reserves £m
Opening total general fund balances	(208.085)	(19.559)	(188.526)
Movement in year	26.529	(4.588)	31.117
Closing total general fund balances	(181.556)	(24.147)	(157.409)

The following shows the same analysis for the 2023/24 financial year.

Expenditure and Funding Statement 2023/24

	2023/24					
	Net expenditure charged to General Fund £m	Capital accounting adjustments £m	Pensions adjustments £m	Other statutory adjustments £m	Not reported in Net Cost of Services £m	Net reported expenditure in CIES £m
Adult Social Care & Public Health						
Adult Social Care	86.955	(0.262)	(0.478)	0.000	(4.128)	91.823
Public Health	(0.028)	0.000	(0.028)	0.000	(19.703)	19.703
Childrens Services						
Children's Services	70.844	(0.362)	(0.804)	0.000	(3.772)	75.782
Education	16.618	(7.063)	(2.168)	(7.275)	14.239	18.885
Economy, Environment & Communities	65.192	(25.275)	(1.289)	0.000	12.841	78.915
Resources & Transformation	45.997	(6.240)	(1.162)	0.000	7.486	45.913
Corporate items	(142.273)	(1.352)	(1.330)	0.000	(117.060)	(22.531)
	143.305	(40.554)	(7.259)	(7.275)	(110.097)	308.490
Other operating expenditure	0.000	(1.352)	0.000	0.000	(11.701)	13.053
Financing & investment net expenditure	0.000	0.051	(4.127)	(1.051)	(4.485)	9.612
Taxation & non-specific grant income	(144.163)	47.117	0.000	2.752	144.841	(338.873)
Total cost of providing Council services as per outturn	(0.858)	5.262	(11.386)	(5.574)	18.558	(7.718)
Transfer (to)/from earmarked reserves	10.698	0.000	0.000	0.000	10.698	0.000
Total cost of providing Council services	9.840	5.262	(11.386)	(5.574)	29.256	(7.718)

Reconciliation of general fund balances	Total £m	General fund reserve £m	Earmarked general fund reserves £m
Opening total general fund balances	(217.926)	(18.702)	(199.224)
Movement in year	9.840	(0.858)	10.698
Closing total general fund balances	(208.086)	(19.560)	(188.526)

d. Subjective analysis of comprehensive income and expenditure

The following table gives a breakdown by type of income and expenditure within the Council's overall results for the year.

	2024/25		2023/24		Notes
	£m	£m	£m	£m	
Income					
Fees & charges		(74.109)		(71.086)	2e
Other service income		(6.065)		(6.281)	
Interest and investment income		(10.748)		(6.434)	23d
Income from Council Tax		(153.374)		(143.861)	2h
Non domestic rates income		(76.724)		(75.000)	2h
Non domestic rates top up grant		(22.077)		(20.745)	2h
Capital grants		(52.792)		(72.339)	4b
Donated Assets given to New Art Gallery		(0.320)		(0.082)	
Education government grants		(237.949)		(214.467)	4a
Housing benefit government grants		(56.547)		(59.759)	4a
Social care government grants and contributions		(80.985)		(68.044)	4a
Business rates Section 31 grants		(28.446)		(26.158)	4a
Other government grants		(60.413)		(61.629)	4a
Total income		(860.549)		(825.885)	
Expenditure					
Employee expenses		308.114		290.632	
<u>Other service expenses</u>					
- Housing benefits	57.480		60.806		
- Social care contractor and client payments	188.281		169.184		
- Other contractor payments	38.989		35.429		
- Supplies and services to the Council	200.016		155.798		
- Other expenditure	30.977		50.036		
Total other service expenses		515.743		471.253	
Support service recharges		0.050		(0.310)	
Depreciation, amortisation and impairments		26.934		26.367	15a, 18, 30a
Revaluation losses/(gains)		12.219		1.126	15a, 18, 30a
Interest payments and associated costs		12.085		11.009	23d
Precepts and levies		11.648		11.701	2f
Income, expenditure and changes in fair value of investment properties		(0.335)		(0.141)	7
(Gain)/loss on disposal of non-current assets		5.371		1.352	15a, 17b, 18, 19
(Gain)/loss on financial instruments		(0.498)		1.051	23b, 23d
Pension interest costs		4.725		4.127	2g, 13b
Total expenditure		896.056		818.167	
(Surplus) or deficit on provision of services		35.507		(7.718)	CIES

The totals for both Council Tax and non-domestic rates income are different to that shown within the collection fund. The differences are due to statutory accounting adjustments that are reversed out in the movement in reserves statements: debit of £0.993 million for Council Tax and debit of £2.425 million for non-domestic rates.

The increase in expenditure on social care contractor and client payments is due to increasing demand on services such as children in care, respite care, domiciliary care and community supported living.

The increase on employee expenses is mainly due to an increase between years of accounting adjustments required by IAS 19 for pension costs.

The increase in supplies and services to the Council is due to inflationary pressures during 2024/25.

The decrease on other expenditure includes reduced REFFCUS expenditure of £14.1 million and premises expenditure of £4.8 million.

The gain on financial instruments is due to an increase in the value of the Council's CCLA Property Fund holdings because of a change market conditions during 2024/25 when compared to 2023/24.

The increased revaluation losses are due to revaluation losses on property, plant and equipment not charged to the revaluation reserve totalling £12.326 million compared to £1.126 million in 2023/24. However overall there has only been a reduction in value of property plant equipment of £2.226 million in 2024/25 (gain in 2023/24 of £1.842 million) with the additional gain going straight to the revaluation reserve (See Note 15a on page 67 for further details).

e. Segmental income

The following table shows the income received by the Council from external customer (fees, charges and other service income) contained within the reported outturn (note 20) and subjective analysis of comprehensive income and expenditure (note 2d).

	2024/25 £m	2023/24 £m
Adult Social Care & Public Health		
Adult Social Care	(17.783)	(15.652)
Public Health	(0.060)	0.000
Childrens Services		
Childrens Services	(0.302)	(0.315)
Education	(10.064)	(10.401)
Economy, Environment & Communities	(36.056)	(35.970)
Resources & Transformation	(7.620)	(6.599)
Corporate items	(2.224)	(2.149)
Total	(74.109)	(71.086)

f. Other operating expenditure

The following table gives a breakdown of the costs included within other operating expenditure shown in the comprehensive income and expenditure statement.

	2024/25 £m	2023/24 £m	Notes
Levies			
- Environment Agency	0.087	0.087	
- West Midlands Combined Authority - transport levy	11.561	11.614	
(Gains) and losses on the disposal of fixed assets	5.371	1.352	15a, 17b, 18, 19
Total	17.019	13.053	

g. Financing and investment net expenditure

The following table gives a breakdown of financing and investment net expenditure in the comprehensive income and expenditure statement. These relate to costs and income received due to the Council's financing and investment activities.

	2024/25	2023/24	Notes
	£m	£m	
Interest payable and similar charges	12.085	11.009	23d
Net interest on the net defined benefit liability	4.725	4.127	13b
Interest income	(4.477)	(4.997)	23d
Income, expenditure and changes in fair value of investment properties	(0.335)	(0.141)	17
(Gain)/loss on financial instruments	(0.498)	1.051	23d
Other investment income	(6.271)	(1.437)	23d
Total	5.229	9.612	

The change in income, expenditure and changes in fair value of investment properties reflect the effect of annual valuations. They reflect current market conditions, such as the ongoing pressure on the retail sector, and resulted in a reduction in the overall balance.

The gain on financial instruments is due to an increase in the value of the Council's CCLA Property Fund holdings because of a change market conditions during 2024/25 when compared to 2023/24.

h. Taxation and non-specific grants

The following table gives a breakdown of the income received by the Council shown within the taxation and non-specific grants line of the comprehensive income and expenditure statement.

	2024/25	2023/24	Notes
	£m	£m	
Council tax income	(153.374)	(143.861)	
Non domestic rate distribution	(76.724)	(75.000)	
Non domestic rate top-up grant	(22.077)	(20.745)	
Donated Assets given to New Art Gallery	(0.320)	(0.082)	
All capital grants and contributions	(45.075)	(47.035)	4b
Un-ringfenced government grants	(56.201)	(52.150)	4a
Total	(353.771)	(338.873)	

Details of the movement in un-ringfenced government grants can be found in note 4a page 49.

Details of the movement in all capital grants contributions can be found in note 4b page 50.

3. Note to movement in reserves statement

This note details the adjustments made to 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 meet future capital and revenue expenditure.

	2024/25			2023/24			Notes
	Movement in general fund balance £m	Movement in other usable reserves £m	Movement in unusable reserves £m	Movement in general fund balance £m	Movement in other usable reserves £m	Movement in unusable reserves £m	
Adjustments to revenue resources							
Pensions costs	8.108	0.000	(8.108)	6.116	0.000	(6.116)	13b
Financial instruments (transferred to the financial instruments adjustments account)	0.499	0.000	(0.499)	(1.051)	0.000	1.051	23d
Council tax and NDR statutory adjustments	3.418	0.000	(3.418)	1.815	0.000	(1.815)	30e
Accumulated holiday pay	(2.280)	0.000	2.280	(0.389)	0.000	0.389	30f
Dedicated Schools Grant deficit statutory adjustment	(22.843)	0.000	22.843	(6.875)	0.000	6.875	
Reversal of entries included in the surplus or deficit on the provision of services in relation to capital expenditure	(80.994)	0.000	80.994	(68.109)	0.000	68.109	30a
	(94.092)	0.000	94.092	(68.493)	0.000	68.493	
Adjustments between revenue and capital resources							
Transfer of non-current asset sale proceeds from revenue to the capital receipts reserve	13.864	(13.864)	0.000	2.356	(2.356)	0.000	29c, 30a
Redistribution of Growth Deal grant clawback to other local authorities	0.000	0.000	0.000	(0.822)	0.822	0.000	29c
Flexible use of capital receipts	(0.810)	0.810	0.000	(3.194)	3.194	0.000	29c
Statutory provision for the repayment of debt	15.855	0.000	(15.855)	13.135	0.000	(13.135)	30a
Capital expenditure financed from revenue balances	3.093	0.000	(3.093)	2.156	0.000	(2.156)	30a
	32.002	(13.054)	(18.948)	13.631	1.660	(15.291)	
Adjustments to capital resources							
Use of the capital receipts reserve to finance capital expenditure	0.000	6.122	(6.122)	0.000	1.935	(1.935)	29c, 30a
Donated Assets to New Art Gallery	0.320	0.000	(0.320)	0.082	0.000	(0.082)	
Application of capital grants to finance capital expenditure	52.792	1.374	(54.166)	72.338	(8.004)	(64.334)	20, 29b
Total adjustments to capital resources	53.112	7.496	(60.608)	72.420	(6.069)	(66.351)	
Total adjustments	(8.978)	(5.558)	14.536	17.558	(4.409)	(13.149)	

4. Grant income

a. Revenue grants

The Council credited the following government grants, contributions and donations to the CIES in 2024/25.

	2024/25 £m	2023/24 £m
Credited to taxation and non-specific grant income		
Public health grant	(19.974)	(19.317)
Business Rates Multiplier Cap	(17.237)	(13.343)
Small business rates relief	(8.123)	(9.135)
Business Rates Retail, Hospitality and Leisure Relief	(3.086)	(3.680)
Families First Pathfinder grant	(2.170)	0.000
Supporting families grant	(1.826)	(1.623)
Street lighting PFI grant	(1.595)	(1.595)
Local services grant	(0.522)	(3.024)
Other	(1.668)	(0.433)
Total	(56.201)	(52.150)
Credited to services		
Dedicated schools grant	(202.218)	(187.440)
Housing benefits rent allowances grant	(54.184)	(57.787)
Adult social care support grant	(32.122)	(24.494)
Other education grants	(17.087)	(14.721)
Better care fund	(14.807)	(13.981)
Improved better care fund	(14.181)	(14.181)
Pupil premium	(12.137)	(12.306)
NHS Section 75 agreement	(10.143)	(7.245)
Black Country Healthcare Foundation Trust (HFT)	(8.455)	(6.520)
Market Sustainability & Fair Cost of Care	(6.264)	(5.530)
Household Support Fund Cost of Living	(5.639)	(5.540)
Hospital Discharge Fund	(3.314)	(1.988)
UK Shared Prosperity Fund (UKSPF)	(2.830)	0.000
HAF Grant	(1.928)	(1.999)
Arts Council grants	(1.701)	(1.420)
HO Unaccompanied Asylum-Seeking Children Grant	(1.590)	(1.553)
Housing benefit non housing revenue account (HRA) rebates	(1.304)	(1.079)
Family Hub Grant	(1.269)	(1.560)
Supplementary Substance Misuse Treatment & Recovery (Grant)	(1.184)	(0.721)
Homelessness Prevention Grant	(1.108)	(1.094)
Other Local Authorities Contributions	(0.971)	(4.550)
Asylum Dispersal Grant	(0.958)	(0.810)
Housing benefits administration subsidy grant	(0.859)	(0.893)
St Thomas More PFI Grant	(0.773)	(0.773)
Domestic Abuse Support Grant	(0.719)	(0.706)
Discretionary Housing Payments	(0.540)	(0.540)
Walsall Energy Action Project (WEAP)	(0.514)	0.000
Covid Recovery Grant	(0.448)	(1.714)
Other	(8.892)	(6.762)
Total	(408.139)	(377.907)
Total Revenue Grants	(464.340)	(430.057)

In accordance with its grant conditions Walsall Council has fully utilised Arts Council grants received by it in 2024/25.

b. Capital grants

Capital grants received by the Council in 2024/25 are shown in the following table.

	2024/25 £m	2023/24 £m
Credited to taxation and non-specific grant income		
Basic Need Grant	0.000	(10.745)
Education capital grants	(5.972)	(10.908)
Town Deal	(9.856)	(5.383)
Other transport grants	(4.145)	(4.660)
Willenhall Levelling Up Fund	(1.161)	(3.209)
Future High Streets Fund	(1.711)	(3.150)
Pothole funding	(1.066)	(2.670)
Salix Public Sector Decarbonisation Grants	(0.990)	(2.339)
Local Authority Housing Fund	(0.707)	(1.388)
Commonwealth Games Legacy Funding	(1.722)	0.000
Coronation Living Heritage Fund	(1.845)	0.000
Community Regeneration Partnership Grant	(10.000)	0.000
Other	(5.900)	(2.583)
Total	(45.075)	(47.035)
Credited to services		
Local Property Investment Fund	(3.491)	(15.886)
Disabled facility grants	0.000	(3.791)
Growth Deal	(0.442)	(1.853)
Town Deal	(0.422)	(1.031)
Department of Health and Social Care Capital Grant	(0.888)	(0.888)
Other	(2.474)	(1.855)
Total	(7.717)	(25.304)
Total capital grants	(52.792)	(72.339)

Walsall Council acknowledges receipt of Local Property Investment Fund (LPIF) grant funding from West Midlands Combined Authority.

c. Grants in advance

This table shows the grants the council received during 2024/25 that are to be used in 2025/26 or later but have not been recognised within the council's CIES.

	As at 31 March 2025 £m	As at 31 March 2024 £m
Revenue grants in advance		
Early Years Wraparound	(0.774)	0.000
Transitional Food Waste Grant	(0.379)	0.000
CRP Grant	(0.204)	0.000
Childcare Financial Incentives Grant	(0.107)	(0.126)
Community Heritage Fund	(0.125)	0.000
Recovery Premium Grant	0.000	(0.149)
Other	(0.098)	(0.131)
Total	(1.687)	(0.406)

5. Better Care Fund

Walsall Council has entered a pooled budget arrangement in relation to the Better Care Fund (BCF) with Black Country Integrated Care Board (ICB) (formerly NHS Black Country & West Birmingham CCG) which aims to meet adult social care needs, reduce NHS pressures and support people to be discharged from hospital when they are ready.

The services are commissioned by either Walsall Council or Black Country ICB depending upon the needs of the client and are provided by several methods including internal, external and voluntary sector organisations.

Walsall Council and Black Country ICB have an agreement in place for funding these services that will run for one year, with the partners agreeing to the programme of services that will be funded. As part of the agreement any deficit or surplus arising on the pooled budget at the end of each financial year will be apportioned based on the risk share agreement (based on lead commissioner), except for the integrated community equipment service (ICES) which will continue to be based on the contributions from each partner. The pooled budget is hosted by Walsall Council on behalf of the two partners in the agreement.

Although the following tables include elements for Black Country ICB the Council does not commission work on behalf of the ICB. The same applies for the ICB with regards to services on behalf of Walsall Council. As such the Council only records expenditure and income within its accounts where it is the lead body undertaking the work.

2024/25 Better Care Fund												
Scheme	Capital DFG	Capital ICES (DFG)	Revenue ICES	Revenue ICES	Revenue Other	Revenue Other	iBCF	LA Additional	Hospital Discharge Fund	Hospital Discharge Fund	Total	Total
Lead Commissioner	Walsall Council	Walsall Council	Walsall Council	NHS Black Country ICB	Walsall Council	NHS Black Country ICB	Walsall Council	Walsall Council	Walsall Council	NHS Black Country ICB	Walsall Council	NHS Black Country ICB
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Funding brought forward from previous year	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Funding provided to the pooled budget	(4.327)	(0.888)	(0.120)	(0.849)	0.000	(26.482)	(14.181)	(0.725)	(3.313)	(2.533)	(23.554)	(29.864)
Transfer of funding from ICB to Walsall Council					(13.839)	13.839					(13.839)	13.839
	(4.327)	(0.888)	(0.120)	(0.849)	(13.839)	(12.643)	(14.181)	(0.725)	(3.313)	(2.533)	(37.393)	(16.025)
Expenditure met from the pooled budget	4.903	0.888	0.111	0.840	13.665	13.044	14.181	0.725	3.313	2.533	37.786	16.417
Net (surplus) / deficit on the pooled budget during the year	0.576	0.000	(0.009)	(0.009)	(0.174)	0.401	0.000	0.000	0.000	0.000	0.393	0.392
Funded utilised in 2023/24 from 2024/25 capital allocation	0.131	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.131	0.000
Carry forwards into next year	0.000	0.000	0.009	0.009	0.170	0.000	0.000	0.000	0.000	0.000	0.179	0.009
Net (surplus) / deficit on the pooled budget during the year (after carry forwards)	0.707	0.000	0.000	0.000	(0.004)	0.401	0.000	0.000	0.000	0.000	0.703	0.401
Agreed risk share on the pooled budget during the year												
By Walsall Council	0.707	0.000	0.000	0.000	(0.004)	0.000	0.000	0.000	0.000	0.000	0.703	0.000
By NHS Black Country ICB	0.000	0.000	0.000	0.000	0.000	0.401	0.000	0.000	0.000	0.000	0.000	0.401
	0.707	0.000	0.000	0.000	(0.004)	0.401	0.000	0.000	0.000	0.000	0.703	0.401

2023/24 Better Care Fund - Comparative												
Scheme	Capital DFG	Capital ICES (DFG)	Revenue ICES	Revenue ICES	Revenue Other	Revenue Other	iBCF	LA Additional	Hospital Discharge Fund	Hospital Discharge Fund	Total	Total
Lead Commissioner	Walsall Council	Walsall Council	Walsall Council	NHS Black Country ICB	Walsall Council	NHS Black Country ICB	Walsall Council	Walsall Council	Walsall Council	NHS Black Country ICB	Walsall Council	NHS Black Country ICB
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Funding brought forward from previous year	0.000	0.000	0.000	0.000	(0.040)	0.000	0.000	0.000	0.000	0.000	(0.040)	0.000
Funding provided to the pooled budget	(3.682)	(0.888)	(0.120)	(0.843)	0.000	(25.017)	(14.181)	(0.725)	(1.988)	(1.357)	(21.584)	(27.217)
Transfer of funding from ICB to Walsall Council	0.000	0.000	0.000	0.000	(9.592)	9.592	0.000	0.000	0.000	0.000	(9.592)	9.592
	(3.682)	(0.888)	(0.120)	(0.843)	(9.592)	(15.425)	(14.181)	(0.725)	(1.988)	(1.357)	(31.176)	(17.625)
Expenditure met from the pooled budget	3.813	0.888	0.189	0.912	11.368	15.383	14.181	0.725	1.988	1.357	33.152	17.652
Net (surplus) / deficit on the pooled budget during the year	0.131	0.000	0.069	0.069	1.736	(0.042)	0.000	0.000	0.000	0.000	1.936	0.027
Funded from brought forward capital Income	(0.131)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(0.131)	0.000
Carry forwards into next year	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net (surplus) / deficit on the pooled budget during the year (after carry forwards)	0.000	0.000	0.069	0.069	1.736	(0.042)	0.000	0.000	0.000	0.000	1.805	0.027
Agreed risk share on the pooled budget during the year												
By Walsall Council	0.000	0.000	0.069	0.000	1.736	0.000	0.000	0.000	0.000	0.000	1.805	0.000
By NHS Black Country ICB	0.000	0.000	0.000	0.069	0.000	(0.042)	0.000	0.000	0.000	0.000	0.000	0.027
	0.000	0.000	0.069	0.069	1.736	(0.042)	0.000	0.000	0.000	0.000	1.805	0.027

Although the table above includes elements for Black Country ICB the Council does not commission work on behalf of the ICB. The same applies for the ICB with regards to work on behalf of Walsall Council. As such the Council only records expenditure and income within its accounts where it is the lead body undertaking the work.

6. Dedicated Schools Grant

The Council's expenditure on schools is funded by the Dedicated Schools Grant (DSG), provided by the Department for Education. DSG is ring-fenced and can only be applied to meet eligible expenditure included in the schools' budget. The schools budget includes elements for a restricted range of services provided on a Council wide basis and the individual schools budget (ISB), which is divided into budget shares for each school. Over and under spends on the two elements are required to be accounted for separately. The Council has not supplemented the schools' budget from its own resources this year. Details of DSG receivable for 2024/25 which has been deployed in accordance with the School Standards and Framework Act 1998 are shown in the following table.

	2024/25			2023/24
	Central Expenditure £m	ISB £m	Total £m	Total £m
Final DSG for year before academy and high needs recoupment			(377.838)	(346.821)
Less Academy and high needs figure recouped in year			173.783	157.345
Total DSG after academy and high needs recoupment			(204.055)	(189.476)
Plus: Brought forward from previous year			0.000	0.000
Agreed initial budgeted distribution	(52.925)	(151.130)	(204.055)	(189.476)
In year adjustments	0.000	0.506	0.506	0.011
Final budget distribution for year	(52.925)	(150.624)	(203.549)	(189.465)
Less: Actual central expenditure	75.888		75.888	56.562
Less: Actual ISB deployed to schools		150.504	150.504	139.799
In year carry-forward to 2024/25	22.963	(0.120)	22.843	6.875
Carry-forward to following year			0.000	0.000
Total of DSG unusable reserve at the end of 2022/23			7.400	0.525
Addition to DSG unusable reserve at the end of 2023/24			22.843	6.875
Total of DSG unusable reserve at the end of 2023/24			30.243	7.400
Net DSG position at the end of 2024/25			30.243	7.400

7. Accounting for local government schools

Dedicated Schools Grant (DSG) is credited to the CIES within taxation and non-specific income based on amounts due from the Department for Education for 2024/25. The DSG is allocated between central Council budget and budgets allocated to individual schools (individual school budgets). Expenditure from central Council budgets and individual school budgets are charged to

the CIES under Children's Services & Customer Engagement. Individual schools' balances at 31 March 2025 are included in the balance sheet of the Council under the earmarked reserves heading.

The numbers of schools with some measure of control from the Council are shown in the following table.

	Community	Voluntary controlled	Voluntary aided	Foundation
Number of schools (including PFI)	53	7	13	1
Value of land and buildings at 31 March 2024 (£m)	132.543	17.669	0.000	3.029
Number of schools subject to PFI contracts	0	0	1	0

PFI schemes

The Council has one school subject to PFI contract, which is not shown on the Council's balance sheet. This is because it is a voluntary aided school and the control of the right to use the buildings passes to the school trustees. There are no PFI liabilities associated with this scheme on the balance sheet.

Accounting for schools – consolidation

- In line with accounting standards and the Code on group accounts and consolidation, all maintained schools in the borough are 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.

Accounting for schools – balance sheet recognition of schools

- The Council recognises the land and buildings used by schools in line with the provisions of the Code. It states that property used by local authority maintained schools should be recognised in accordance with the asset recognition tests relevant to the arrangements that prevail for the property. The Council recognises the schools land and buildings on its balance sheet where it directly owns the assets.
- Where the land and building assets used by the school are owned by an entity other than the Council, (e.g., local diocese) then it is not included on the Council's balance sheet. The exception is where the entity has transferred the rights of use of the asset to the Council, school or school governing body (e.g., foundation trusts).
- The Council has completed a school-by-school assessment across the distinct types of schools it controls within the borough. Judgements have been made to determine the arrangements in place and the accounting treatment of the land and building assets.
- All community schools are owned by the Council and the land and buildings used by the schools are included on the Council's balance sheet.
- Legal ownership of voluntary controlled school land and buildings usually rests with a charity, normally a religious body. However, the Council receives capital funding for these assets and the school land and buildings are included on the balance sheet.
- Foundation trust schools were created to give greater freedom to the governing body responsible for school staff appointments and who also set the admission criteria. For a foundation trust school, the school governing body has legal ownership of the land and buildings, and the Council receives capital funding for these assets and are included on the Council's balance sheet.

- Legal ownership of the voluntary aided school land and buildings rests with the relevant diocese. The relevant diocese has granted a licence to the school to use the land and buildings. Under this licence arrangement, the rights of use of the land and buildings have not transferred to the school and are not included on the Council's balance sheet.
- Academies are not considered to be 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.

Future conversions

There are currently 9 maintained school in Walsall that are subject to an academy order. These schools are likely to see conversion during 2025/26. A further 12 maintained schools are aiming to convert to academy status within 2025/26 but are not currently subject to an academy order. At the point of conversion, all assets in relation to these schools will transfer from the Council to the academy.

8. Officers' remuneration

Senior officer remuneration

In 2024/25 the membership of Council's Corporate Management Team (CMT) was changed to include all officers from Director level upwards. This change has been reflected in the table for 2024/25 with the membership as per 2023/24 shown in the comparatives. The remuneration and costs paid in respect to the CMT are shown in the following table.

	Salary, fees and allowances £	Contract Costs £	Pension contribution £	Total £
Chief Executive (Emma Bennett)	193,615	0	42,014	235,629
Executive Director - Children's Services and Education	145,043	0	31,474	176,517
Director - Access & Inclusion	107,319	0	23,288	130,607
Director - Children's Social Work	98,081	0	21,284	119,365
Director - Early Help, Walsall Right for Children and Partnerships	103,802	0	22,525	126,327
Executive Director - Adult Social Care and Public Health	148,531	0	0	148,531
Director - Public Health	107,319	0	15,139	122,458
Director - Adult Care	107,319	0	23,288	130,607
Director - Commissioning	0	226,390	0	226,390
Executive Director - Economy, Environment & Communities	145,043	0	31,474	176,517
Director - Place & Environment	96,785	0	21,002	117,787
Director - Regeneration & Economy	91,949	0	19,953	111,902
Director - Resilient Communities	107,319	0	23,288	130,607
Executive Director - Resources	148,531	0	32,231	180,762
Director - Governance (Monitoring Officer)	117,569	0	25,513	143,082
Director - Finance, Performance & Procurement (Section 151 Officer)	117,569	0	25,513	143,082
Director - Human Resources, Organisation Development and Administration	107,319	0	0	107,319
Director- Transformation & Digital	107,319	0	23,288	130,607
Director - Customer Engagement	107,319	0	23,288	130,607
Director - Communications	107,319	0	23,288	130,607

The comparative figures for those senior officers who were on CMT in 2023/24 are as follows:

	Salary, fees and allowances £	Contract Costs £	Pension contribution £	Total £
Chief Executive (Emma Bennett)	85,077	0	18,462	103,539
Interim Chief Executive	0	129,015	0	129,015
Executive Director - Children's Services & Community Engagement (2)	80,281	0	17,421	97,702
Executive Director - Children's Services & Community Engagement (1)	65,985	0	14,319	80,304
Executive Director - Adult Social Care & Public Health	144,908	0	0	144,908
Director - Public Health & Hub (2)	58,967	0	8,479	67,446
Director - Public Health & Hub (1)	50,493	0	10,957	61,450
Executive Director - Economy, Environment & Communities	137,916	0	29,928	167,844
Executive Director - Resources & Transformation	47,913	158,436	10,397	216,746
Director - Governance (Monitoring Officer)	114,701	0	24,890	139,591
Director - Finance, Corporate Performance and Corporate Landlord (Section 151 Officer)	114,701	0	24,890	139,591
Director - HR, OD and Admin	104,701	0	0	104,701
Director - Communications	104,701	0	20,827	125,528

Where there are contract costs these are for the payment to employment agencies who are providing the interim senior officer and not direct salary costs to the officer.

Note that the post of Director – Finance, Performance & Procurement in the 2024/25 table is the same post as Director – Finance, Corporate Performance and Corporate Landlord on the 2023/24 table. It was just a change in post name.

Chief Executive and Interim Chief Executive

During 2023/24 and 2024/25 two officers held the post of Chief Executive (one as an interim). The first officer (Interim Chief Executive) held the post between February 2023 and October 2023 whilst the Council set about appointing a new Chief Executive on a permanent basis. The current Chief Executive has been in post since October 2023.

Executive Director – Resources & Transformation

The Executive Director – Resources & Transformation were in post between March 2023 and January 2024 on an interim basis prior to role being appointed on a permanent basis.

Executive Director - Children's Services & Community Engagement

Two officers have held this post over the period 2022 to 2024. The first officer held the post up to September 2023. The second officer has held the post since September 2023, first on an interim and subsequently a permanent basis

Director of Public Health

Two officers have held this post over the period 2022 to 2024. The first officer held the post up to September 2023. The second officer has held the post since September 2023 on an interim basis.

Employees over £50,000

Council employees (excluding officers within SMT) who receive more than £50,000 remuneration (excluding pension contributions) during the year are shown in the following tables. Teachers have been split into two categories due to their employment status. Teachers at community and voluntary controlled (VC) schools are directly employed by the Council. Teachers at foundation and voluntary aided (VA) schools are employed by the governing body of the school, and as such are not direct employees of the Council.

Remuneration band	Council officers		School staff		Total	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
£50,000 - £54,999	151	139	145	116	296	255
£55,000 - £59,999	92	80	75	47	167	127
£60,000 - £64,999	47	27	45	35	92	62
£65,000 - £69,999	22	15	23	23	45	38
£70,000 - £74,999	10	20	17	21	27	41
£75,000 - £79,999	21	5	19	11	40	16
£80,000 - £84,999	8	15	10	6	18	21
£85,000 - £89,999	22	14	6	9	28	23
£90,000 - £94,999	2	1	8	5	10	6
£95,000 - £99,999	1	4	6	5	7	9
£100,000 - £104,999	1	8	4	1	5	9
£105,000 - £109,999	2	0	1	2	3	2
£110,000 - £114,999	0	0	1	2	1	2
£115,000 - £119,999	0	1	3	1	3	2
£120,000 - £124,999	0	0	1	1	1	1
£125,000 - £129,999	1	0	1	1	2	1
£130,000 - £134,999	0	0	1	0	1	0
£135,000 - £139,999	0	0	1	0	1	0
Total	380	329	367	286	747	615

The increases within the Council officers are predominately due to pay awards in 2024/25, that moved staff into the £50,000 remuneration band who were previously just under this. It has also moved staff to higher bands than last year.

9. Exit packages

The numbers of exit packages with total cost per band, and total cost of compulsory and other redundancies are set out in the following table.

Exit package cost band (including special payments)	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
£							£m	£m
Up to 20,000	7	9	42	40	49	49	0.313	0.370
20,001-40,000	2	0	8	5	10	5	0.293	0.133
40,001-60,000	0	0	2	1	2	1	0.101	0.044
60,001-80,000	0	0	1	0	1	0	0.066	0.000
80,001-100,000	0	0	2	2	2	2	0.177	0.166
100,001-150,000	0	0	5	0	5	0	0.547	0.000
150,001-200,000	0	1	6	0	6	1	1.040	0.159
Over 200,000	0	0	5	4	5	4	1.278	0.900
Total	9	10	71	52	80	62	3.815	1.772

10. Termination benefits

The Council terminated the contracts of a number of employees in 2024/25, incurring liabilities of £3.568 million (£1.543 million in 2023/24), which is included within the costs shown in the exit packages table above. Included within these amounts are payments for various school-based staff and Council employees.

11. Members allowances

The Council paid £0.899 million of basic allowances (2023/24 £0.871 million) and £0.391 million of special responsibility payments (2023/24 £0.376 million) to members during the year.

12. Pension scheme accounted for as defined contribution

Teachers' pension scheme

Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by 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 financial position and performance 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 £16.786 million to the Teachers' Pension Scheme in respect of teachers' retirement benefits. This represented 28.68% of pensionable pay between April 2024 and March 2025. The figures for 2023/24 were £13.433 million and 23.68% of pensionable pay between April 2023 and March 2024. There were no contributions remaining payable at the year-end. The employers contribution for 2025/26 is estimated to be £17.547 million.

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 13.

NHS pension scheme

Employees who were transferred over from the NHS to the Council on 1 April 2013 for the Public Health function were entitled to remain on the NHS pension scheme. This scheme is administered by NHS Pensions and provides employees with specified benefits upon their retirement. The Council contributes towards the costs by making contributions based on a percentage of member's pensionable salaries.

The scheme is technically a defined benefit scheme. However, the scheme is unfunded, and the Department of Health uses a notional fund as the basis for calculating the employers' contribution rate paid by employers. The Council is not able to identify its share of the underlying financial position and performance 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 £0.053 million to NHS Pensions in respect of Public Health staff retirement benefits, representing 14.38% of pensionable pay. The figures for 2023/24 were £0.071 million and 14.38%.

13. Defined benefit pension schemes

a. Participation within 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 necessary at the time that employees earn their future entitlement.

The Council participates in one post-employment scheme, the Local Government Pension Scheme (LGPS), administered locally by Wolverhampton City Council. This is a funded defined benefit final scheme meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets. The LGPS is now a career average scheme for benefits built up from 1 April 2014 meaning that the employer and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. Policy is determined in accordance with the LGPS Regulations.

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 must be generated to meet actual pension payments as they eventually fall due. The Council makes little use of discretionary payments.

The principal risks to the authority of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e., large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the general fund the amounts required by statute as described in the accounting policies note.

During 2024/2025 the LGPS actuary was Hymans Robertson LLP.

b. Transactions relating to post-employment benefits

The Council recognises 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 the Council is required to make against Council tax is based on the cash payable in the year, so the actual cost of post-employment/retirement benefits is reversed out of the general fund via the movement in reserves statement.

	2024/25 £m	2023/24 £m	Notes
<u>Comprehensive income and expenditure statement</u>			
<i><u>Cost of service:</u></i>			
Current service cost	26.105	25.969	13e
Past service costs	1.376	0.710	13e
(Gain)/loss from settlements	(0.252)	(2.051)	13d, 13e
<i><u>Financing and investment income and expenditure:</u></i>			
Net interest expense (including admin expenses)	4.725	4.127	13d, 13e
Total post-employment benefit charged to the surplus or deficit on the provision of services	31.954	28.755	
<i><u>Other post-employment benefit charged to the comprehensive income and expenditure statement</u></i>			
Return on plan assets (excluding the amount included in the net interest expense)	38.838	(34.149)	13d
Remeasurement (gains)/losses arising on changes in demographic assumptions	(2.150)	(7.829)	13e
Remeasurement (gains)/losses arising on changes in financial assumptions	(181.497)	(67.643)	13e
Experience (gain)/loss on defined benefit obligation	(13.023)	39.198	13e
Other actuarial gains/(losses)	0.000	0.000	13e
Changes due to applying asset ceiling	158.273	87.930	13g
Total post-employment benefit charged to the comprehensive income and expenditure statement	32.395	46.262	
<u>Movement in reserves statement</u>			
Reversal of net charges made to the surplus or deficit for the provision of services for post-employment benefits in accordance with the Code	(31.954)	(28.755)	
<i><u>Actual amount charged against the general fund balance for pensions in the year:</u></i>			
Employers' contributions payable to scheme	37.067	31.885	
Retirement benefits payable to pensioners	2.995	2.986	
Total pensions costs in movement in reserves statement	8.108	6.116	

When the calculation results in an asset for the Council, the asset must be recognised at the lower of that asset and the asset ceiling, which is calculated as the net present value of future service costs less net present value of future contributions over the future working lifetime. Where the asset ceiling is the lower, adjustment is required and is included as a remeasurement.

The assumptions used for the actuarial calculations are volatile and this has resulted in the significant movements shown in the above table.

c. Assets and liabilities in relation to post-employment benefits

The amount included in the balance sheet arising from the Council's obligation in respect of its defined benefit plans is as follows.

	2024/25 £m	2023/24 £m
Present value of defined benefit obligation	(1,048.210)	(1,196.693)
Fair value of plan assets	1,227.140	1,209.514
	178.930	12.821
Present value of unfunded liabilities	(24.480)	(28.576)
Change due to applying asset ceiling	(250.468)	(87.930)
Net pension liability arising from defined benefit obligation	(96.018)	(103.685)

d. Reconciliation of fair value of the scheme assets

The movement in the scheme assets during the year are shown in the following table.

	2024/25 £m	2023/24 £m
Opening balance at 1 April	1,121.583	1,133.518
Interest on assets	54.303	53.538
Return on assets less interest	(38.838)	34.149
Other actuarial gains/(losses)	0.000	0.000
Settlement prices received / (paid)	(0.484)	(3.918)
Employer contributions	40.062	34.871
Member contributions	9.053	7.996
Estimated benefits paid net of transfers in	(50.734)	(50.641)
Changes due to applying asset ceiling	(158.273)	(87.930)
Closing balance at 31 March	976.672	1,121.583

e. Reconciliation of present value of the scheme liabilities

The movement in the scheme liabilities during the year are shown in the following table.

	2024/25 £m	2023/24 £m
Present value of funded obligations	(1,196.693)	(1,195.855)
Present value of unfunded obligations		
- Local government pension scheme	(19.446)	(20.569)
- Unfunded teachers scheme	(9.130)	(9.388)
Opening balance as at 1 April	(1,225.269)	(1,225.812)
Current service cost	(26.104)	(25.969)
Interest cost	(59.028)	(57.665)
Member contributions	(9.053)	(7.996)
Remeasurements (liabilities)		
Gain/(Loss) on financial assumptions	181.497	67.643
Gain/(Loss) on demographic assumptions	2.150	7.829
Experience gain/(Loss)	13.023	(39.198)
Estimated benefits paid net of transfers in	50.734	50.641
Past service costs including curtailments	(1.376)	(0.710)
(Liabilities assumed) / extinguished on settlements	0.736	5.969
Closing balance at 31 March	(1,072.690)	(1,225.268)
Present value of funded obligations	(1,048.210)	(1,196.693)
Present value of unfunded obligations		
- Local government pension scheme	(16.516)	(19.446)
- Unfunded teachers scheme	(7.964)	(9.130)

Note that these valuations are based on a moment in time and are subject to financial conditions during the year. As such whilst economic conditions are volatile this will lead to volatility within pension valuations.

f. Basis for estimating assets and liabilities

The assessment has been on an actuarial basis using the projected unit method, an estimate of the pensions that will have to be paid in the future including mortality rates and salary levels.

These have been estimated by Hymans Robertson LLP, an independent actuary firm with estimates being based on the latest full valuation of the scheme as at 31 March 2022. The significant assumptions used by the actuary have been:

	2024/25	2023/24
Mortality assumptions:		
<u>Longevity retiring today</u>		
- Men	20.6	20.6
- Women	23.4	23.4
<u>Longevity retiring in 20 years</u>		
- Men	21.30	21.40
- Women	24.80	24.80
Rate of increase in salaries	3.75%	3.75%
Rate of increase in pensions (CPI)*	2.75%	2.75%
Rate for discounting scheme liabilities	5.80%	4.85%

*CPI = Consumer Price Index

The unfunded pensions arrangements have no assets to cover its liabilities.

The Local Government Pension Scheme's assets consist of the following categories, by proportion of the total assets held:

	2024/25		2023/24	
	£m	%	£m	%
Debt Securities				
Corporate Bonds	102.977	8.4%	62.508	5.2%
UK Government	164.641	13.4%	157.871	13.1%
Other	223.724	18.2%	190.563	15.7%
Private Equity				
All	76.273	6.2%	89.035	7.4%
Real Estate				
UK Property	83.194	6.8%	77.405	6.4%
Investment Funds and Unit Trusts				
Equities	457.448	37.3%	513.813	42.4%
Infrastructure	59.514	4.8%	54.328	4.5%
Other	0.234	0.0%	6.689	0.6%
Derivatives				
Other	(0.539)	0.0%	0.000	0.0%
Cash and Cash Equivalents				
All	59.674	4.9%	57.302	4.7%
Total	1,227.140	100.0%	1,209.514	100.0%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above for the pension fund deficit. The sensitivity analysis below is based on possible changes to the assumptions occurring at the end of the reporting period. It assumes that for each assumption that changes all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis are on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the following sensitivity analysis have not changed from those used in the previous period.

Change in assumptions at 31 March 2025	Approximate % increase to defined benefit obligation	Approximate monetary amount (£m)
0.1% decrease in real discount rate	1.79%	18.001
1 year increase in member life expectancy	4.00%	42.908
0.1% increase in the salary increase rate	0.08%	0.785
0.1% increase in the pension increase rate (CPI)	1.75%	17.714

g. Defined benefit pension asset – recognition and measurement

Hymans Robertson, the actuary to the West Midlands Pension Fund, has valued the Council's pension fund at 31 March 2025 as a surplus meaning that we hold a pension asset rather than a liability.

IAS19 states that where an entity has a surplus in a defined benefit pension plan, then it should measure the net defined benefit of the assets at the lower of:

1. The surplus identified in the plan, or
2. The asset ceiling

Hymans Robertson LLP as our actuary has carried out the asset ceiling calculation for the 2024/25 accounts on the following basis:

Net present value of (employer) future service costs over the future working lifetime

'less'

Net present value of (employer) future contributions over the future working lifetime

The adjustment to assets for future unfunded contributions has been calculated as being This has therefore resulted in an asset ceiling adjustment of £250.468 million to the value of assets.

Applying the credit ceiling adjustment to the accounts has resulted in the overall net pension scheme position moving from a net pension asset of £154.449 million to a net pension liability of £96.018 million.

h. Impact on the Council's cash flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 17 years. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed as at 31 March 2025 to be reported from 2025/26.

The scheme considers the national changes to the scheme under the Public Pensions Services Act 2013. The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The employer's contribution for 2025/26 is estimated by the actuary to be approximately £36.124 million.

The weighted average duration of the defined benefit obligation for scheme members is 17 years for 2024/25 (17 years 2023/24).

14. External audit costs

The Council incurred costs of £0.452 million (£0.422 million 2023/24) for fees related to external audit services, £0.016 million (£0.015 million 2023/24) for fees incurred for the certification of grant claims and returns and £0.010 million (£0.010 million in 2023/24) for membership of the Chief Finance Officer briefing service. These services were carried out by Grant Thornton UK LLP the Council's appointed auditor. The costs incurred will be subject to variations dependent on the audit.

15. Property, plant and equipment

a. Movement on balances

Movements in the Council's property, plant and equipment values are shown in the following table.

	Operational land and buildings £m	Vehicles, plant and equipment £m	Highways Infrastructure Assets £m	Community assets £m	Surplus assets £m	Assets under construction £m	Right of Use Assets £m	Total £m
Net book value 31 March 2023	349.779	4.163	154.782	4.387	11.307	9.691	0.000	534.109
Additions	20.418	3.990	20.952	0.820	0.238	1.329	0.000	47.747
Revaluations	(0.260)	0.000	0.000	0.000	2.101	0.000	0.000	1.841
Disposals/derecognition of assets	(1.864)	(0.364)	0.000	0.000	0.000	0.000	0.000	(2.228)
Reclassification of assets	(0.020)	0.000	0.000	0.000	(0.302)	0.000	0.000	(0.322)
Depreciation	(7.120)	(2.325)	(5.306)	0.000	(0.010)	0.000	0.000	(14.761)
Impairments	(4.932)	(0.141)	(4.322)	(0.636)	(0.185)	(0.391)	0.000	(10.607)
Other movements	0.360	0.000	0.000	0.000	(0.360)	0.000	0.000	0.000
Net book value 31 March 2024	356.361	5.323	166.106	4.571	12.789	10.629	0.000	555.779
Recognition of Right of Use assets as at 01 April 2024	0.000	0.000	0.000	0.000	0.000	0.000	3.353	3.353
Additions	31.967	9.408	18.731	1.846	0.028	28.364	4.169	94.513
Revaluations	0.871	0.000	0.000	(3.091)	(0.006)	0.000	0.000	(2.226)
Disposals/derecognition of assets	(14.926)	(3.957)	0.000	0.000	(0.546)	0.000	0.000	(19.429)
Reclassification of assets	(0.084)	0.000	0.000	0.000	(3.400)	0.000	0.000	(3.484)
Depreciation	(7.582)	(3.450)	(5.516)	0.000	(0.030)	0.000	(0.558)	(17.136)
Impairments	(3.704)	(0.132)	(3.801)	(0.303)	(0.002)	(0.227)	0.000	(8.169)
Other movements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net book value 31 March 2025	362.903	7.192	175.520	3.023	8.833	38.766	6.964	603.201
Balance as at 31 March 2024								
Cost/Valuation	362.186	16.065	n/a	7.590	12.789	12.145	0.000	410.775
Cumulative Depreciation and Impairments	(5.825)	(10.742)	n/a	(3.019)	0.000	(1.516)	0.000	(21.102)
Carrying amount	356.361	5.323	166.106	4.571	12.789	10.629	0.000	555.779
Balance as at 31 March 2025								
Cost/Valuation	368.517	17.072	n/a	5.636	8.835	40.510	7.522	448.092
Cumulative Depreciation and Impairments	(5.614)	(9.880)	n/a	(2.613)	(0.002)	(1.744)	(0.558)	(20.411)
Carrying amount	362.903	7.192	175.520	3.023	8.833	38.766	6.964	603.201
Owned	362.903	6.532	171.121	3.023	8.833	38.766	0.000	591.178
PFI	0.000	0.000	4.399	0.000	0.000	0.000	0.000	4.399
Lease	0.000	0.660	0.000	0.000	0.000	0.000	6.964	7.624
Carrying amount	362.903	7.192	175.520	3.023	8.833	38.766	6.964	603.201

In accordance with the Temporary Relief offered by the Update to the Code on infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for highways infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

The Council has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately. Therefore, they would not provide the basis for the users of the financial statements to take economic or other decisions relating to highways infrastructure assets.

The authority has determined in accordance with Regulation 30M England of the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for highways infrastructure assets when there is replacement expenditure is nil.

b. Capital commitments

At 31 March 2025, the Council has entered several contracts for the construction or enhancement of property, plant and equipment in 2025/26 and future years which are budgeted to cost £38.048 million. Similar commitments at 31 March 2024 were £14.143 million. The major commitments are shown in the following table:

Projects	Council funded £m	Grant funded £m	Total £m
High Needs	0.000	1.083	1.083
Basic Needs	0.000	0.235	0.235
Purchase Of Dispersed Temporary Accommodation	0.000	0.540	0.540
Yorks Bridge	1.113	0.000	1.113
Middlemore Lane HWRC	4.797	0.000	4.797
Willenhall Masterplan	0.000	10.711	10.711
Future High Street Fund	1.562	2.015	3.577
One Palfrey Big Local	0.000	0.470	0.470
Spark Phoenix 10 Remediation	1.442	0.000	1.442
Proud Card Payments	0.151	0.000	0.151
Cloud Navigator	0.072	0.000	0.072
SCM - contract	0.940	0.000	0.940
Continue deploying Genesys Cloud Functionality	0.004	0.000	0.004
Maintaining a Safe & Secure Environment	0.001	0.000	0.001
Community Regeneration Partnership	0.000	6.254	6.254
Town Deal Walsall	0.000	0.322	0.322
Town Deal Bloxwich	0.000	5.806	5.806
LPIF	0.000	0.530	0.530
	10.082	27.966	38.048

c. Revaluations

The Council carries out a rolling programme that ensures that all operational property, plant and equipment required to be measured at current value is revalued at least every five years. Surplus assets are valued at fair value on an annual basis.

For 2024/25 all valuations were carried out by the Council's Asset Management team except for the Primark and Co-op developments, Saddlers Centre, land off Darlaston Road, and Park Street & Butlers Precinct valuations. The effective date of the revaluations carried out in 2024/25 was 31 March 2025. These valuations were prepared by Nick Ford BSc (Hons) MRICS (RICS Registered Valuer) and Sarah Robson BSc (Hons) MRICS, assisted by Ian Jeavons BSc (Hons) MRICS – Senior Asset Management Officer and John Kirwan RICS Candidate – Asset Management Officer.

The valuations for the Primark and Co-op developments were carried out externally by Avison Young. The valuation was prepared by Mark Shelley BSc MRICS (RICS Registered Valuer) and Rebecca Millard BSc MRICS (RICS Registered Valuer).

The valuations for land off Darlaston Road were carried out externally by Lambert Smith Hampton. The valuation was prepared by Mark Weller MSc (Hons) MRICS (RICS Registered Valuer) and Luke Sutton BSc (Hons) MRICS (RICS Registered Valuer).

The valuations for land off Wolverhampton Street (Lex Site) were carried out externally by Lambert Smith Hampton. The valuation was prepared by Mark Weller MSc (Hons) MRICS (RICS Registered Valuer) and Harry Hanson BSc (Hons) MRICS (RICS Registered Valuer).

The Saddlers Centre valuation was carried out by Avison Young. The valuation was prepared by Mark Shelley BSc MRICS (RICS Registered Valuer) and Rebecca Millard BSc MRICS (RICS Registered Valuer).

The Park Street and Butlers Precinct valuations were carried out by Avison Young. The valuation was prepared by Mark Shelley BSc MRICS (RICS Registered Valuer) and Rebecca Millard BSc MRICS (RICS Registered Valuer).

The Park Place valuation was carried out by Avison Young. The valuation was prepared by Mark Shelley BSc MRICS (RICS Registered Valuer) and Rebecca Millard BSc MRICS (RICS Registered Valuer).

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.

Surplus assets were valued on a market basis using values obtained by observing comparatives in the local area.

The basis of valuations applied in estimating the asset values are:

- Land and Buildings have been valued on an existing use value basis except where the assets are specialised.
- Surplus assets have been valued on a fair value basis.
- Specialised assets have been valued on the depreciated replacement cost method using modern equivalent asset basis.
- The values used for the depreciated replacement cost calculation were from the Building Cost Information Service (BCIS) Quarterly Review of Building Prices – 1st quarter 2025.
- Assets under construction have been valued on a cost basis.
- Infrastructure and community assets have been valued on a depreciated historic cost basis.
- Vehicles, plant and equipment are valued using depreciated historic cost basis as a proxy for current value due to their short useful lives and/or low values.

	Operational land and buildings £m	Vehicles, plant and equipment £m	Highways Infrastructure assets £m	Community assets £m	Surplus assets £m	Assets under construction £m	Grand Total £m
Valued at historical cost	5.251	11.339	175.520	3.023	0.000	38.766	233.899
Valued at current value as at:							
2024/2025	317.828	2.082	0.000	0.000	8.717	0.000	328.627
2023/2024	7.935	0.000	0.000	0.000	0.116	0.000	8.051
2022/2023	4.898	0.000	0.000	0.000	0.000	0.000	4.898
2021/2022	16.550	0.000	0.000	0.000	0.000	0.000	16.550
2020/2021	11.176	0.000	0.000	0.000	0.000	0.000	11.176
Grand Total	363.638	13.421	175.520	3.023	8.833	38.766	603.201

Surplus assets have all been assessed as level 2 for valuation purposes. An explanation of valuation levels can be found in the accounting policies on page 104. There has been no change in valuation methodology compared to last year.

16. Heritage assets

a. Carrying value of heritage assets held by the Council

The Council currently holds the following heritage assets on its balance sheet.

	2024/25 £m	2023/24 £m
As at 1 April	31.479	31.273
Additions	0.321	0.261
Revaluations	(6.551)	(0.055)
Balance as at 31 March	25.249	31.479

These assets include art collections (£22.927 million 2024/25, £29.157 million 2023/24), museum collections (£1.912 million 2024/25, £1.912 million 2023/24), civic regalia (£0.223 million 2024/25, £0.223 million 2023/24), and public art/statues £0.187 million 2024/25, £0.187m million 2023/24).

b. Valuations

Art collections

The Council's art collections are reported in the balance sheet at insurance valuations based on market values. Valuations are based on research of the art market which establishes the recent sale prices at auction or from galleries of similar works. Key art works underwent an insurance valuation in April 2025 carried out by Berwyn-Jones Fine Art Consultants Ltd. As per the table above this valuation resulted in a total decrease of £6.551 million compared the previous insurance valuation conducted in March 2022.

The most significant valuations include Lucian Freud's 'Portrait of Kitty' and 'Annabel' and Vincent van Gogh's 'Sorrow'.

Museum collections

The Council's museum collections are included in the balance sheet at insurance valuation based on market values. The remaining items in the collection are insured at valuations derived by curators, based on their knowledge of current market values.

Civic regalia

The Council's mayoral civic regalia are included in the balance sheet at insurance valuation based on replacement values. The last valuation took place in 2009 by Fellows and Sons, auctioneers and valuers based in Birmingham.

c. Additions of heritage assets

In 2024/25 the Council was donated several art works totalling £0.321 million.

d. Disposal of heritage assets

There were no disposals of heritage assets during both 2024/25 and 2023/24.

e. Five-year summary of transactions

Following a review of the transactions over the last five years there were no significant or material additions, disposals or other transactions that warrant any further disclosure.

f. Further information on heritage assets

Art collections

The Council has four art collections: the Garman-Ryan collection, the Garman-Ryan Epstein collection, the permanent collection and the special collection; all based within the Council's New Art Gallery. These collections include significant works by European artists including Van Gogh, Monet, Turner, Renoir, Constable and Sir Jacob Epstein. The Council is only allowed to dispose of works that it has purchased. These exclude all the works within the Garman-Ryan collection and other works gifted/bequeathed to the people of Walsall and held by the Council in trust.

Further details of the art collections can be found on the New Art Gallery's website.

Museum collections

The Council's museum collections comprise the Hodson Shop collection, clothing collection, social and industrial collection and leather collection. These are held in storage with several items periodically displayed in the Leather Museum. The Hodson Shop collection is a nationally significant collection of clothing and other household goods representative of stock in a draper's shop. These items have been acquired by donations, purchase and bequests in accordance with the Council's acquisitions and disposals policy.

Further details of the museum collections can be found on the Walsall Council website and the Black Country History website.

Civic regalia

The civic regalia consist of the mayoral insignia for the Mayor and Mayoress of Walsall. It also contains the chains of office for the former borough Councils that were amalgamated into Walsall because of local government reorganisation: Darlaston, Willenhall, and Aldridge and Brownhills. The mayoral insignia are only used at formal mayoral events. Otherwise, they are kept securely stored.

Heritage assets not held on balance sheet

The Council holds a number of heritage assets off balance sheet due to not previously having values for these items. The Council believes that the cost of obtaining valuations now for these assets will not match the potential benefit they will bring to the reader of these accounts. These assets include local history archive, statues, war memorials, memorial clocks and public art.

17. Investment properties

Investment properties are those that are used solely to earn rental income or for capital appreciation. The definition does not apply if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

a. Income and expenditure on investment properties

The rental income received on the Council's investment properties are shown below. There is no identifiable expenditure by the council within revenue on these properties.

	2024/25 £m	2023/24 £m
Rental income from investment properties	(0.086)	(0.090)
Net (surplus)/deficit	(0.086)	(0.090)

b. Movement on balances

The following table summarises the movement in the fair value of investment properties over the year:

	2024/25 £m	2023/24 £m
Balance as at 1 April	2.255	2.384
Net gains/(losses) from fair value adjustments	0.249	0.051
Disposals	0.000	(0.180)
Balance as at 31 March	2.504	2.255

The investment properties have all had their annual valuation as at 31 March 2025. The outcome of these valuations reflects current market conditions, such as the ongoing pressure on the retail sector, and has resulted in a reduction in the overall balance.

c. Fair value hierarchy

The Council's investment properties have been value assessed as level 2 on the fair value hierarchy for valuation purposes (see Note 38 page 104 for an explanation of the fair value levels).

	2024/25 Level 2 £m	2023/24 Level 2 £m
Shops	0.036	0.095
Leased land	2.468	2.160
Total	2.504	2.255

d. Valuation techniques used to determine fair values

The fair value of investment properties has been measured using a market approach, which considers quoted prices for similar assets in active markets, existing lease terms and rentals, research into market evidence including market rentals and yields, the covenant strength for existing tenants, and data and market knowledge gained in managing the Council's investment asset portfolio. In estimating the fair value of the Council's investment properties, the highest and best use is their current use.

e. Valuation process for investment properties

The Council's investment property has been valued as at 31 March 2025 except when purchased in year where the purchase price is taken as the fair value. Valuations for investment properties were carried out by the Council's Asset Management team as outlined in Note 15c page 68.

All valuations were carried out in accordance with the methodologies and basis for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

18. Intangible assets

The Council accounts for its software licences as intangible assets, to the extent that the software is not an integral part of a particular information technology system and is accounted for as part of the hardware item of property, plant and equipment.

	2024/25	2023/24
	£m	£m
Balance at start of year	18.549	16.404
<u>Additions</u>		
- purchase	3.266	4.454
Amortisation for the year	(2.519)	(2.249)
Impairments	(0.005)	(0.060)
Total movements in the year	0.742	2.145
Net carrying amount at end of the year	19.291	18.549
Comprising:		
- Gross carrying amounts	35.129	31.862
- accumulated amortisation	(15.838)	(13.313)
Net book value at 31 March	19.291	18.549

19. Assets held for sale

The following table shows the movements and current balance within the assets held for sale account. These assets are for sale and actively being marketed by the Council.

	2024/25 £m	2023/24 £m
Balance as at 1 April	0.502	1.483
<i>Assets newly classified as held for sale:</i>		
Property, plant and equipment	3.664	0.323
<i>Assets declassified as held for sale:</i>		
Property, plant and equipment	(0.180)	0.000
<i>Other movements</i>		
Assets sold	(0.020)	(1.304)
Balance as at 31 March	3.966	0.502

20. Capital expenditure and capital financing

The total amount of capital expenditure incurred in the year is shown in the following table (including the value of assets acquired under finance leases and PFI/PPP contracts), together with the resources that have been used to finance it. The net movement then results in either an increase or decrease in the Council's capital financing requirement (CFR) also shown on this table.

	2024/25	2023/24	Notes
	£m	£m	
Opening capital financing requirement	399.719	390.185	
Capital investment			
Property, plant and equipment	90.344	47.747	14a
Revenue expenditure funded from capital under statute	23.640	40.153	29a
Heritage Assets	0.321	0.261	15
Intangible assets	3.266	4.454	17
Right of Use Assets	4.169	0.000	21
Provision of capital loans to associate company	0.000	1.809	25c
	121.740	94.424	
Sources of finance			
Capital receipts	(6.932)	(5.129)	28c
Government grants and contributions	(54.166)	(64.334)	29a
Donated assets	(0.320)	(0.082)	29a
<i>Sums set aside from revenue</i>			
Direct revenue contributions	(3.093)	(2.156)	29a
Minimum revenue provision (MRP)	(15.855)	(13.189)	29a
	(80.366)	(84.890)	
Other movements			
Recognition of Right of Use Assets on 01 April 2024	3.353	0.000	
Other movements	(0.221)	0.000	
Closing capital financing requirement	444.225	399.719	
Explanation of movements in year			
Increase in current year underlying need to borrow	57.229	22.723	
Decrease in prior years underlying need to borrow (MRP)	(14.342)	(12.300)	
Reduction in liability on PFI schemes (MRP)	(0.567)	(0.582)	
Increase/(Reduction) in liability on Leases (MRP)	2.186	(0.307)	
Increase/(decrease) in capital financing requirement	44.506	9.534	

The CFR shows the Council's overall requirement for borrowing based on past and current capital expenditure not financed by grants, capital receipts revenue contributions. This balance is then written down over future years through a contribution from revenue, the minimum revenue provision, which is calculated as per the Council's MRP policy agreed each year.

21. Leases

IFRS 16 was fully introduced within local authority accounts in 2023/24. This has had an impact on how the Council accounts for leases where it is the lessee. More details on the impact of the introduction of IFRS 16 can be found in Note 1, page 36.

a. Council as lessee

Walsall Council's lease contracts comprise of operational land and Buildings, equipment and vehicles.

Right-of-use assets

The following table shows the change in value for right-of use assets held under leases by Walsall Council.

	Land and buildings	Vehicles, plant and equipment	Total
	£m	£m	£m
Balance at 1 April 2024	0.750	2.603	3.353
Additions	0.000	4.169	4.169
Revaluations	0.000	0.000	0.000
Depreciation and amortisation	(0.015)	(0.543)	(0.558)
Disposals	0.000	0.000	0.000
Balance at 31 March 2025	0.735	6.229	6.964

Transactions under leases

The council incurred the following expenses and cash flows in relation to leases.

	2024/25	2023/24
	£m	£m
Comprehensive income and expenditure statement		
Lease payments in year (prior IFRS16 introduction)	0.000	1.103
Interest expense on lease liabilities	0.133	0.000
Expenses relating to short term leases	0.041	0.000
Expense relating to exempt leases of low value	0.067	0.000
Income from subletting right of use assets	(0.029)	(0.127)
Gains/losses arising from sale and leaseback transactions	0.000	0.000
Cash flow statement		
Minimum lease payments	1.409	1.099

Maturity analysis of lease liabilities

The lease liabilities are due to be settled over the following periods (measured at the undiscounted amounts of expected cash payments).

	31 March 2025	01 April 2024
	£m	£m
Less than one year	(1.358)	(0.635)
One to five years	(4.423)	(2.050)
More than five years	(0.433)	(0.668)
Balance at 31 March 2025	(6.214)	(3.353)

b. Council as lessor

Operating leases

The Council leases out property under operating leases 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:

	As at 31 March 2025 £m	As at 31 March 2024 £m
Not later than one year	2.016	1.208
Later than one year and not later than five years	5.779	3.427
Later than five years	14.002	6.717
Total	21.797	11.352

The minimum lease payments receivable does not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. During 2024/25 the contingent rents received by the Council were £0.814 million (£0.442 million in 2023/24).

Finance leases

The Council has a few leases as lessor that are categorised as finance leases. However, they are not considered to be material.

22. Private finance initiatives and similar contracts

a. St Thomas More School

2024/25 was the twenty second year of a 25-year private finance initiative (PFI) contract for the construction, maintenance and operation of a secondary school in Willenhall. The main partners within the contract are the Governors of St Thomas More School, Birmingham Roman Catholic Diocese Trustees, Babcock and Brown and Walsall Council. The application of IFRIC 12 to this scheme has resulted in this being classed as an off-balance sheet transaction. As such no asset is shown within the Council's balance sheet. This is due to the Council having no interest in the school at the end of the contract. Instead, all the land and property revert to the Birmingham Roman Catholic Diocese Trustees and the Governors of St Thomas More School. In line with all other voluntary aided schools the contract has also been reviewed under IFRIC 4, and it has been determined that the Council has an operating lease with the Governors of St Thomas More School and Birmingham Roman Catholic Diocese Trustees.

The following table shows the predicted payments to be made under the contract to the contractor over the remaining life of the contract.

	2024/25 £m
Payable within one year	2.912
Payable within two to three years	6.000
Total	8.912

b. Public street lighting

2024/25 was the twenty first year of a 25-year PFI contract for the replacement and maintenance of the Council's lighting stock across the borough. The objective of this contract is to ensure that the borough is lit in a uniform manner complying with British and European standards. The main partners within the contract are Walsall Council and Walsall Public Lighting Ltd.

The Council makes an agreed payment which is increased each year by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year, but which is otherwise fixed. Payments remaining to be made under the PFI contract at 31 March 2025 (excluding any estimation of inflation and availability/performance deductions) are as follows:

	Payment for service	Reimbursement of capital expenditure	Interest	Total
	£m	£m	£m	£m
Payable within one year	3.011	0.585	0.022	3.618
Payable within two to four years	6.537	1.183	0.023	7.743
Total	9.548	1.768	0.045	11.361

The assets used to provide services for street lighting are recognised on the Council's balance sheet. Their value is included within the property, plant and equipment balance in note 15a page 67.

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed.

Both the asset value and liability outstanding to pay the contractor for capital expenditure initially incurred is as follows:

	2024/25		2023/24	
	PFI liability	PPE assets	PFI liability	PPE assets
	£m	£m	£m	£m
Balance outstanding at start of year	(2.335)	5.002	(2.917)	5.605
Payments during the year	0.567	0.000	0.582	0.000
Depreciation in year	0.000	(0.603)	0.000	(0.603)
Balance outstanding at year-end	(1.768)	4.399	(2.335)	5.002

c. Housing 21

2024/25 was the seventeenth year of a 30-year public-private partnership scheme. The principal partners in the contract are Housing 21 and Walsall Council. This contract is to provide:

- 285 extra care units (including 70 shared ownership and 5 respite care) across the borough.
- A 40-bed dementia care unit at Goscote.

Most of the assets within this contract do not revert to Council ownership at the end of the 30-year contract. Instead, the Council has provided land to Housing 21 on 125-year leases. As such the Council does not need to account for the assets created by the scheme on its balance sheet.

The table below shows the predicted payments to the contractor over the remaining life of the agreement.

	2024/25
	£m
Payable within one year	11.896
Payable within two to five years	50.633
Payable within six to ten years	70.745
Payable within eleven to thirteen years	46.835
Total	180.109

23. Financial instruments

a. Categories of financial instruments

The following categories of financial instrument are carried in the balance sheet:

Financial assets

	Non-current		Current			Total
	Investments £m	Debtors £m	Investments £m	Debtors £m	Cash & Cash Equivalents £m	£m
As at 31 March 2024						
Fair value through profit and loss	25.894	0.000	0.000	0.000	42.061	67.955
Fair value through other comprehensive income	30.903	0.000	0.000	0.000	0.000	30.903
Amortised cost	0.197	13.747	8.093	60.749	10.656	93.442
	56.994	13.747	8.093	60.749	52.717	192.300
Non-financial assets	0.000	0.000	0.000	54.581	0.000	54.581
	56.994	13.747	8.093	115.330	52.717	246.881
As at 31 March 2025						
Fair value through profit and loss	26.393	0.000	0.000	0.000	45.000	71.393
Fair value through other comprehensive income	26.608	0.000	0.000	0.000	0.000	26.608
Amortised cost	0.197	11.875	10.004	51.143	10.361	83.580
	53.198	11.875	10.004	51.143	55.361	181.581
Non-financial assets	0.000	0.000	0.000	56.994	0.000	56.994
	53.198	11.875	10.004	108.137	55.361	238.575

The investments carried at fair value through profit and loss consists of the Council's unit holding with the CCLA Property Fund. The cash & cash equivalents carried at fair value through profit and loss are investments in highly liquid money market funds.

The Council's shareholding in Birmingham Airport Holdings Limited (BAH) has been designated to be carried as fair value through other comprehensive income instead of carried through profit and loss. The designation for BAH was made on the introduction of the accounting standard (1 April 2018).

The seven West Midlands local authorities own 49% of BAH's 320 million ordinary shares of £0.01 each. The Council owns 4.88% of these shares. The other shareholders are Airport Group Investments Limited (48.35%) and an employee share trust (2.75%). In addition, the seven West

Midlands authorities own all BAH's 6.31% preference shares, of which Walsall Council owns 9.95%. These are cumulative and irredeemable.

Sherbourne Recycling Ltd was incorporated on 1 April 2021 as a company limited by shares. The shareholders of this company are eight local authorities including Walsall Council. The Council has a shareholding of 19.66% of the company and is the second largest shareholder. The other shareholders are Coventry City Council, Solihull Metropolitan Borough Council, Stratford on Avon District Council, Warwick District Council, Rugby Borough Council, Nuneaton & Bedworth Borough Council and North Warwickshire Borough Council. The Council's shareholding in Sherbourne Recycling Ltd is held at the cost as it is an investment with an associate company as allowed within the Code and IAS27 – Consolidated and Separate Financial Statements.

The current debtors carried at amortised cost contains approximately £1.0 million Waste Disposal debt from the former West Midlands County Council owed to Walsall Council by the other West Midlands Councils with the final payment due in 2025/26.

The non- financial assets consist of collection fund debtors, HMRC debtor for VAT and prepayments (further details in note 26a page 89).

Financial liabilities

	Non-current		Current		Total
	Borrowings	Creditors	Borrowings	Creditors	
	£m	£m	£m	£m	£m
As at 31 March 2024					
Amortised cost	(250.610)	(1.768)	(3.213)	(69.904)	(325.495)
	(250.610)	(1.768)	(3.213)	(69.904)	(325.495)
Non-financial liabilities	0.000	(103.684)	0.000	(12.836)	(116.520)
	(250.610)	(105.452)	(3.213)	(82.740)	(442.015)
As at 31 March 2025					
Amortised cost	(281.329)	(1.183)	(27.630)	(90.286)	(400.428)
	(281.329)	(1.183)	(27.630)	(90.286)	(400.428)
Non-financial liabilities	0.000	(100.873)	0.000	(17.073)	(117.946)
	(281.329)	(102.056)	(27.630)	(107.359)	(518.374)

The borrowing financial liabilities at amortised cost consist of Public Works Loan Board (PWLB) loans, commercial bank loans and loans from other local authorities taken by the Council.

The current borrowing carried at amortised cost contains £3.088 million of remaining transferred debt because of the dissolution of the former West Midlands County Council with the final payment due in 2025/26.

The non- financial liabilities consist of the net pension liability (further information available in Note 13c), PFI (further information available in Note 22b), collection fund creditors, HMRC creditors and receipts in advance (further information available in Note 27a).

b. Fair value of investments in equity instruments and money market funds

The Council's unit holdings within the CCLA Property Fund, Morgan Stanley Sterling Liquidity Fund, CCL Public Sector Deposit Fund and HSBC Sterling Liquidity Fund are within active trading markets with observable unit prices. Therefore, the fair value quoted within the accounts is based on these unaltered unit prices.

The Council's shareholding in BAH is not traded in an active market; however, the fair value shown is based on a high degree of comparability to listed company data including any movement in share prices. The valuation technique used in determining the fair value of BIA is an earnings approach based upon Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) within the relevant year's business plan with future potential adjusted by multiples derived from similar listed companies within the industry.

	Input level in fair value hierarchy	Valuation technique used to measure fair value	As at 31 March 2025 £m	As at 31 March 2024 £m
Fair value through profit and loss				
CCLA Property Fund	Level 1	Unadjusted quoted prices	26.393	25.894
Morgan Stanley Sterling Liquidity Fund	Level 1	Unadjusted quoted prices	15.000	15.000
CCLA Public Sector Deposit Fund	Level 1	Unadjusted quoted prices	15.000	15.000
HSBC Sterling Liquidity Fund	Level 1	Unadjusted quoted prices	15.000	11.757
Fair value through other comprehensive income				
Birmingham Airport	Level 3	Earnings based valuation	26.608	30.903

The Council's shareholding in Sherbourne Recycling Ltd is held at the cost as it is an investment with an associate company as allowed within the Code and IAS27 – Consolidated and Separate Financial Statements.

Birmingham Airport

The fair value has been prepared using previously audited Annual Reports, in-year management information and forward-looking forecast information. It is also based on an estimated fair value of the shares held by Walsall Council by estimating the open market value of BAH in a transaction between a willing buyer and willing seller.

The valuation seeks to forecast passenger numbers multiplied by an average income per passenger based on past information. For 2024/25, as in previous years, management accounts for the first 11 months of the year were used to estimate the full year income and expenditure, to arrive at a forecast annual position.

Solihull Council conducted a desktop valuation, on behalf of the seven West Midlands local authorities. This has been verified by a qualified independent valuer who has agreed that the valuation as at 31 March 2025 has resulted in a decrease in the fair value of the Council's shareholding.

If there was a +/-5% change in the forecast Earnings Before Interest, Tax, Depreciation and Amortisation, the impact on the valuation to Walsall Council would be +/-£1.3 million.

c. Fair value of financial instruments held on the balance sheet at amortised cost

Financial liabilities and assets represented by loans and receivables, debtors and creditors are carried in the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments (Level 2), using the following assumptions:

- For PWLB loans payable new borrowing rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures.
- For non-PWLB loans payable prevailing market rates have been applied to provide the fair value under debt redemption procedures.
- For Lenders option/borrower option loans payable prevailing market rates have been applied to provide fair values under debt redemption policies. These loans are all standard LOBOs with no stepped interest rates. The fair values have been calculated assuming that these loans are held to maturity and that the lender will not alter the interest rate in the future given current rates are significantly lower than the rates for these loans.
- For loans receivable prevailing benchmark market rates have been used to provide the fair value:
 - No early repayment or impairment is recognised.
 - Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values of financial liabilities calculated are as follows:

	Input level in fair value hierarchy	As at 31 March 2025		As at 31 March 2024	
		Carrying amount	Fair value	Carrying amount	Fair value
		£m	£m	£m	£m
PWLB loans	2	(153.502)	(112.012)	(156.320)	(127.789)
Other local authority transferred debt	2	(3.090)	(3.090)	(5.897)	(5.912)
Lenders option/borrowers option/market debt	2	(76.219)	(63.150)	(76.223)	(70.757)
Other local authority loans	2	(75.889)	(76.044)	(15.025)	(15.052)
Other loans	2	(0.259)	(0.259)	(0.359)	(0.459)
Short-term creditors	2	(90.286)	(90.286)	(69.904)	(69.904)
Long-term creditors	2	(1.183)	(1.183)	(1.768)	(1.768)
Financial liabilities		(400.428)	(346.024)	(325.496)	(291.641)

The total fair value of the liabilities is lower than the carrying amount because the Council's portfolio of loans includes several fixed rate loans where the interest rate payable is lower than the prevailing rates at the balance sheet date. This shows a notional future gain (based on economic conditions at 31 March 2025) arising from a commitment to pay interest to lenders below current market rates. It must be noted that the rates entered into for loans were at the prevailing market rates available to the Council at that time.

The fair values of financial assets calculated are as follows:

	Input level in fair value hierarchy	As at 31 March 2025		As at 31 March 2024	
		Carrying amount	Fair value	Carrying amount	Fair value
		£m	£m	£m	£m
Long-term investments	Level 2	0.197	0.000	0.197	0.000
Short-term investments	Level 2	10.004	10.006	8.093	8.068
Short-term debtors	Level 2	51.143	51.143	60.749	60.749
Long-term debtors	Level 2	11.875	11.875	13.747	13.747
Cash and cash equivalents	Level 2	10.361	10.361	10.656	10.656
Financial assets		83.580	83.385	93.442	93.220

The total fair value of the assets is lower than the carrying amount because the Council's portfolio of investments includes several investments where the interest rate payable is lower than the prevailing rates at the balance sheet date. This shows a notional future loss (based on economic conditions at 31 March 2025) arising from a commitment to receive interest below current market rates. It must be noted that the rates entered into for investments were at the prevailing market rates available to the Council at that time.

d. Income, expense, gains and losses

The table below shows the impact of financial instrument transactions on the CIES.

	2024/25		2023/24	
	Surplus/deficit on the provision of Services £m	Other comprehensive income and expenditure £m	Surplus/deficit on the provision of Services £m	Other comprehensive income and expenditure £m
Net gains/losses on:				
Financial assets measured at fair value through profit and loss	(0.498)	0.000	1.051	0.000
Investments in equity instruments designated at fair value through other comprehensive income	0.000	4.295	0.000	(2.654)
Total net gains/losses	(0.498)	4.295	1.051	(2.654)
Interest and dividend income				
Financial assets measured at amortised cost	(2.287)	0.000	(2.809)	0.000
Dividends from investment in equity instruments designated at fair value through other comprehensive income	(4.934)	0.000	(0.097)	0.000
Dividends from investment in equity instruments and deposits designated at fair value through profit and loss	(3.527)	0.000	(3.527)	0.000
Total interest income	(10.748)	0.000	(6.433)	0.000
Total interest expense	12.085	0.000	11.009	0.000

24. Nature and extent of risks arising from financial instruments

a. Overall procedures for managing risk

The Council's overall risk management procedures focus on financial market unpredictability and are structured to implement suitable controls to minimise these risks. These procedures are legally set out by the Local Government Act 2003 and associated regulations. They require the Council to comply with the CIPFA Prudential Code, the CIPFA Code of Practice on Treasury Management in the Public Services and Investment Guidance issued through the act. The Council therefore needs to manage risk in the following ways:

- Formally adopting the requirements of the CIPFA Treasury Management Code of Practice
- Adopting a treasury policy statement and treasury management clauses within its financial regulations/standing orders/constitution

- Approve annually in advance prudential and treasury indicators for the following three years limiting:
 - The Council's overall borrowing.
 - Its maximum and minimum exposures to fixed and variable rates.
 - Its maximum and minimum exposures to the maturity structure of its debt.
 - Its maximum annual exposures to investments maturing beyond a year.
- Approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with the government guidance.

These are required to be reported and approved at or before the Council's annual Council tax setting budget or before the start of the year to which they relate. These items are reported with the annual treasury management strategy which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is also reported after each year, as is a mid-year update.

The annual treasury management strategy, which incorporates the prudential indicators, was approved by Council on 22 February 2024 and is available on the Council website. The key issues within the strategy were:

- The authorised limit for the 2024/25 was set at £481.100 million. This is the maximum limit of external borrowings or other long-term liabilities.
- The operational boundary was set at £437.360 million. This is the expected level of debt and other long-term liabilities during the year.
- The maximum amounts of fixed and variable interest rate exposure were set at 95% and 45% respectively, based on the Council's long-term borrowing.

The treasury team implement these policies. The Council maintains written principles for overall risk management, as well as written policies (treasury management practices – TMPs) covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash. These TMPs are a requirement of the Code of Practice and are reviewed periodically. The Council complies with these policies and practices.

b. Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.

This risk is minimised through the annual investment strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria.

The annual investment strategy also considers maximum amounts and time limits in respect of each financial institution. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined below. The general policy objective for this Council is the prudent investment of its treasury balances.

The Council's investment priorities are:

- The security of capital and
- Liquidity of its investments and
- All investments will be in sterling.

The Council will aim to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity.

The Council uses credit criteria to select creditworthy counterparties to place investments with. Information used includes:

- Credit ratings rating agencies – S&P, Fitch and Moodys.
- Treasury management advisors provide regular updates of changes to all ratings relevant to the Council.
- The Council does not rely solely on credit ratings to select and monitor the creditworthiness of counterparties. In addition to credit ratings, it will therefore use other sources of information including: -
 - The quality financial press
 - Market data
 - Information on government support for banks and the credit ratings of that government support

Counterparties are assessed, considering their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Council.

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. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A recoverability risk applies to all the Council's deposits, but there was no evidence as at 31 March 2025 that this was likely to crystallise.

The following analysis summarises the Council's maximum exposure to credit risk on other financial assets, based on experience of default, adjusted to reflect current market conditions.

	Amount as at 31/03/2025 £m	Historical experience of default as at 31/03/2025 £m
Banks	8.346	0.000
Money market funds	45.000	0.000
Local authorities	10.000	0.000
Trade debtors	38.259	0.000
Total	101.605	0.000

Amounts arising from expected credit losses

The Council has assessed its short- and long-term investments and concluded that the expected credit loss is not material therefore no allowances have been made.

No breaches of the Council's counterparty criteria occurred during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

c. Liquidity risk

The Council manages its liquidity position through the risk management procedures set out above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the CIPFA Code of Practice. This seeks to ensure that cash is available when needed.

The Council has ready access to borrowings from the money markets to cover any day-to-day cash flow needs, and the PWLB and money markets for access to longer term funds. The Council is required to approve a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The maturity analysis of financial assets is as follows:

	2024/25	2023/24
	£m	£m
Less than one year	117.490	122.450
Between one and two years	0.000	0.980
Between two and five years	0.000	0.000
More than five years	63.894	68.673
Total	181.384	192.103

The Council maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the Council relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer-term financial liabilities and longer-term financial assets.

The maturity analysis of financial liabilities is as follows:

	2024/25	2023/24
	£m	£m
Less than 1 year	(121.005)	(75.925)
Between 1 and 2 years	(20.693)	(13.661)
Between 2 and 5 years	(35.022)	(12.235)
Between 5 and 10 years	0.000	0.000
More than 10 years	(223.708)	(223.674)
Total	(400.428)	(325.495)

d. Market risk

Interest rate risk

The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the CIES will rise.
- Borrowings at fixed rates – the fair value of the borrowing will fall (no impact on revenue balances)
- Investments at variable rates – the interest income credited to the CIES will rise; and
- Investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances)

Borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the surplus or deficit on the provision of services or other comprehensive income and expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the surplus or deficit on the provision of services and affect the general fund balance, subject to influences from government grants.

Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in other comprehensive income and expenditure.

The Council has a number of strategies for managing interest rate risk. The annual treasury management strategy draws together the Council's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure. The treasury team will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance, during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long-term returns, similarly the drawing of longer-term fixed rates borrowing would be postponed.

If all interest rates had been 0.25% higher (with all other variables held constant) the financial effect would be as follows:

	£m
Increase in interest payable on variable rate borrowings	0.000
Increase in interest receivable on variable rate investments	(0.113)
Impact on (surplus) or deficit on the provision of services	(0.113)
Increase/(Decrease) in fair value of fixed rate investment assets (no impact on the surplus or deficit on the provision of services)	(0.195)
(Increase)/decrease in fair value of fixed rate borrowings liabilities (no impact on the surplus or deficit on the provision of services)	0.865

The approximate impact of a 0.25% fall in interest rates would be as above but with the movements being reversed.

Price risk

The Council currently has equity holdings in Birmingham Airport (£26.608 million), CCLA Property Fund (£26.393 million) and Sherbourne Recycling Ltd (£0.197 million).

The equity for Birmingham Airport and Sherbourne Recycling Limited are classified as fair value through other comprehensive income and expenditure so having no impact on revenue. All gains and losses for these are recognised in the Financial Instruments Revaluation Reserve. Only upon disposal would any accumulated gains or losses on the equity be recognised within the general fund.

The equity held in the CCLA Property Fund is classified as fair value through profit and loss and therefore does have an impact on the revenue. However, at present there is legislation in place which allows the Council to make an adjustment to move any gains or losses into the Pooled Investment Adjustment Account. Only upon disposal would any accumulated gains or losses be recognised within the general fund.

The financial impact of an increase of 5% in the valuation of the equity is shown in the following table. If it was a decrease the fair values would decrease by the same amounts.

	£m
Increase in CCLA Property Fund fair value	1.320
Impact on (surplus) or deficit on the provision of services	1.320
Increase in Birmingham Airport fair value	1.330
Impact on other comprehensive income and expenditure	1.330

Foreign exchange risk

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

25. Cash and cash equivalents

The balance of cash and cash equivalents is made up of the following items:

	As at 31 March 2025 £m	As at 31 March 2024 £m
Cash held by the council	0.030	0.030
Bank current accounts	1.985	4.241
Short-term deposits	53.346	48.446
Total	55.361	52.717

26. Debtors

a. Short-term debtors

The following table shows the short-term debtors of the Council excluding those for local taxation. These amounts represent the monies owed to the Council which are yet to be received as cash. The table shows those amounts owed to the Council as at 31 March 2025.

	As at 31 March 2025 £m	As at 31 March 2024 £m
Trade debtors		
- NHS bodies	24.800	28.573
- Central government	2.235	1.769
- Other local authorities	2.291	0.999
- Social care clients	11.577	10.599
- Other trade debtors	4.726	3.140
- Impairment for bad/doubtful debt	(7.370)	(6.361)
	38.259	38.719
Other debtors		
- Capital Debtors	1.557	7.869
- Central Government - VAT	8.034	6.439
- Central Government - Other	2.869	5.471
- Other local authorities	3.570	5.366
- Housing benefit overpayments	5.969	6.644
- Collection fund court costs	3.058	2.650
- Other debtors	2.875	1.278
- Impairment for bad/doubtful debt	(7.014)	(7.248)
	20.918	28.469
Prepayments and accrued income		
- Central Government	0.144	0.755
- Other prepayments/accrued income	3.221	5.555
	3.365	6.310
Total	62.542	73.498

Trade debtors represent the income the Council is due to receive because of the normal activities of the Council. Other debtors include items such as recovery of overpaid housing benefits.

Other trade debtors include all debtors relating to private sector companies or non-governmental bodies the Council provides services to or the provision of funding to providers of services on the Council's behalf. £2.190 million of trade debtors outstanding on 31 March 2025 (£1.781 million as at 31 March 2024) were raised within one month of year end and therefore were still within the Council's payment terms.

Within other debtors £0.339 million (£0.163 million as at 31 March 2024) is included for property charges within social care. The Council recognises that although these are correctly classified as debtors due within one year, events beyond the control of the Council make it probable that a proportion of these will be settled beyond that period.

The Council has made a provision for those outstanding debts that the Council anticipates may not be recovered. These have been calculated using historical patterns adjusted for known future events where possible. These amounts are deducted from the total value of debtors as shown. In line with the code no provision has been made for those outstanding debts owed by government organisations (central government, NHS bodies or other local authorities).

b. Local taxation debtors

The following table shows the aged profile of local taxation debtors. These are those debtors owed to the Council from Council taxpayers and ratepayers, monies owed to or from West Midlands Police or West Midlands Fire, and monies owed to or from central government.

	Council Tax		Non domestic rates	
	As at 31 March 2025 £m	As at 31 March 2024 £m	As at 31 March 2025 £m	As at 31 March 2024 £m
Less than one year	13.740	11.945	3.404	3.143
1-2 years	8.735	8.016	1.588	2.005
2-6 years	18.166	16.566	3.829	4.447
More than 6 years	7.855	6.618	2.674	3.158
Impairment for bad/doubtful debt	(10.601)	(9.242)	(3.795)	(4.824)
Total	37.895	33.903	7.700	7.929

The Council has made a provision for those outstanding debts that the Council anticipates may not be recovered. For local taxation the non-contractual method has been adopted. These amounts are deducted from the total value of debtors as shown.

c. Long-term debtors

The following table shows those amounts owed to the Council at the end of the financial year but will not become due to be paid to the Council for more than 12 months.

	As at 31 March 2025 £m	As at 31 March 2024 £m
Local authority reorganisation transferred debt	0.000	1.872
Loans to associates	11.863	11.863
Other	0.012	0.012
Total	11.875	13.747

The loans to associates are capital loans that have been provided to Sherbourne Recycling Ltd for the construction of a state-of-the-art mixed recycling facility which became operational in October 2023. These loans will be paid back over the following twenty-five years from September 2024.

The debtor for the waste disposal authority is a result of the dissolution of the West Midlands County Council and subsequent waste disposal agreement in 1996. The balance shown are those amounts owed to Walsall Council, who was the waste disposal administering authority, by the other six West Midlands local authorities. This is due to be fully repaid in 2025/26 and the balance of £0.981 million is shown within the debtors tab in Note 26a.

27. Creditors

a. Short-term creditors

The following table shows the short-term creditors of the Council (excluding borrowing). These amounts represent the monies owed by the Council but are yet to be paid. Additionally, there are also amounts which the Council has received before the end of the financial year that relates to services to be provided in the following financial year.

	As at 31 March 2025 £m	As at 31 March 2024 £m
Trade creditors		
- Capital	(9.641)	(6.097)
- Central Government	(2.700)	(1.107)
- NHS Bodies	(5.346)	(7.113)
- Other local authorities	(9.433)	(0.752)
- Adult Social Care	(14.185)	(12.207)
- Childrens Social Care	(5.902)	(4.856)
- Payments in transit	(13.691)	(13.701)
- Other trade creditors	(15.989)	(14.474)
	(76.887)	(60.307)
Other creditors		
- Central Government	(0.232)	(0.013)
- Other local authorities	(0.022)	(0.021)
- Accumulated annual leave	(9.612)	(7.332)
- Other creditors	(1.589)	(1.420)
	(11.455)	(8.786)
Receipts in advance	(1.971)	(1.351)
Tax and national insurance	(5.159)	(4.734)
Council tax	(5.290)	(4.628)
NDR	(4.653)	(2.123)
PFI liability	(0.585)	(0.567)
Lease liability	(1.359)	(0.244)
Total	(107.359)	(82.740)

Payments in transit represent those transactions that have been accounted for within the comprehensive income and expenditure statement, but the payments have yet to leave the Council's bank account as at 31 March 2025.

b. Long-term creditors and other long-term liabilities

The following table shows those amounts owed by the Council (excluding borrowing) at the end of the financial year but will not become due to be paid to the Council for more than 12 months.

	As at 31 March 2025 £m	As at 31 March 2024 £m	Notes
Long term lease liabilities	(4.855)	0.000	21
PFI	(1.183)	(1.767)	22b
Total	(6.038)	(1.767)	

28. Provisions

The following table shows the movement during the year of the provisions maintained by the Council. The movements will have been charged or generated from the appropriate headings in the net cost of services. These represent provisions for future expenses in respect of liabilities incurred in relation to the year under review.

	Insurance fund £m	Pensions and redundancy £m	NDR appeals £m	Other £m	Total £m
Balance at 1 April 2024	(0.540)	(1.282)	(5.093)	(0.113)	(7.028)
Additional provisions made in 2024/25	(0.410)	(0.077)	(2.085)	(0.383)	(2.955)
Amounts used in 2024/25	0.372	1.017	4.119	0.000	5.508
Unused amounts reversed in 2024/25	0.000	0.060	0.000	0.000	0.060
Balance at 31 March 2025	(0.578)	(0.282)	(3.059)	(0.496)	(4.415)
Timings of provisions					
Less than 1 year	0.000	(0.282)	(3.059)	(0.496)	(3.837)
Greater than 1 year	(0.578)	0.000	0.000	0.000	(0.578)
Balance at 31 March 2025	(0.578)	(0.282)	(3.059)	(0.496)	(4.415)

Insurance fund

The Council has an established insurance fund to cover excesses on claims. These outstanding claims amount to £2.364 million and are at various stages of being addressed and it is therefore unclear when settlement might be made. However, based on claim settlement profiles, projected settlements are estimated at £0.578 million (£0.540 million 2023/24) for which a provision is held to cover this.

Pensions and redundancy costs

The Council has created an additional provision of £0.077 million for pension and redundancy costs in relation to restructures undertaken during 2024/25. During 2024/25 £1.017 million was charged against the 2023/24 provision. £0.282 million will be carried forward to 2025/26 where it is expected that the remaining transfers of economic benefit will occur. The pension figures provided by the West Midlands Pension Fund and the redundancy costs are based on agreed and expected leaving dates for each officer.

NDR appeals

Further information on NDR appeals can be found on page 117.

Other

In addition to the above provisions the Council holds £0.496 million (£0.113 million 2023/24) for other costs where the expected timing of any resultant transfer of economic benefit or future events cannot be accurately predicted.

29. Usable reserves

Movements in the Council's usable reserves can be found in the movement in reserves statement (page 33) and note 3 (page 48).

	As at 31 March 2025 £m	As at 31 March 2024 £m	Notes
General fund reserve	(24.147)	(19.559)	MIRS
Earmarked general fund reserves	(157.409)	(188.526)	29a
Capital grants unapplied account	(63.705)	(65.079)	29b
Capital receipts reserve	(14.184)	(7.252)	29c
Total	(259.445)	(280.416)	

a. Earmarked reserves

This note sets out the amounts set aside from the general fund in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet general fund expenditure in 2025/26.

The general fund reserves listed in the following table have been categorised as follows:

Treasury reserves. These reserves are to minimise the impacts of interest rate changes and finance early redemption of loans to reduce the Council's future interest exposure.

Grants received in advance. This is where the Council has received money in advance of the next accounting period or covers more than one accounting period. These amounts will be spent in line with the grant conditions.

Demand led. These reserves are to provide short term additional funding for Children's and Adult Social Care where a spike in demand will create overspends. Additionally, an amount is provided for Housing Benefits.

Improvement projects. These reserves are to finance service modernisation and major capital projects such as regeneration of the borough.

Other earmarked reserves. These reserves cover expenditure where the Council has a legal obligation to pay costs, such as equal pay claims and redundancies. In addition to these there are reserves for business rate appeals and insurance claims.

	Balance as at 31/03/2023 £m	Transfers (in)/out 2023/24 £m	Balance as at 31/03/2024 £m	Transfers (in)/out 2024/25 £m	Balance as at 31/03/2025 £m
Treasury reserves					
Borrowing re-scheduling	(12.566)	(9.348)	(21.914)	(11.287)	(33.201)
MRP equalisation	(10.068)	0.537	(9.531)	9.531	0.000
Changes in investment fair value	(1.000)	(2.000)	(3.000)	(1.000)	(4.000)
Grants carried forward into future years					
Accountable Body	0.000	0.000	0.000	(1.344)	(1.344)
Grant funding carried forward under IFRS	(7.993)	0.804	(7.189)	(2.492)	(9.681)
Private finance initiative	(18.010)	1.986	(16.024)	4.474	(11.550)
Housing 21	(0.477)	0.477	0.000	(0.128)	(0.128)
Public health	(3.909)	(0.200)	(4.109)	1.090	(3.019)
Social care grant	(2.579)	2.579	0.000	0.000	0.000
Better care grant	(0.040)	0.040	0.000	(0.188)	(0.188)
Council tax support grant	(3.521)	0.000	(3.521)	0.500	(3.021)
Covid-19 Funding	(0.825)	0.464	(0.361)	0.214	(0.147)
Demand led					
Demand led services	(11.800)	(0.195)	(11.995)	1.418	(10.577)
Transformation	(13.850)	4.157	(9.693)	(3.472)	(13.165)
Improvement projects					
Carbon management reduction programme	(2.547)	2.159	(0.388)	0.388	0.000
Economic growth programme	(3.031)	0.364	(2.667)	2.363	(0.304)
Connected gateways	(3.501)	0.597	(2.904)	1.600	(1.304)
Project reserve	(1.436)	0.828	(0.608)	0.437	(0.171)
Willenhall Masterplan	(1.425)	(0.453)	(1.878)	0.016	(1.862)
Revenue implications of capital	(2.572)	0.000	(2.572)	1.477	(1.095)
Improvement projects	(3.017)	1.802	(1.215)	(0.174)	(1.389)
Reset programme	(1.020)	1.020	0.000	0.000	0.000
Enterprise Zones	(3.857)	(2.099)	(5.956)	5.569	(0.387)
Other earmarked reserves					
Business rates retention scheme	(2.606)	(7.069)	(9.675)	2.105	(7.570)
Buy not Lease	(1.411)	(0.048)	(1.459)	0.219	(1.240)
Insurance fund	(6.145)	0.000	(6.145)	0.324	(5.821)
Mediation	(9.292)	2.644	(6.648)	(1.416)	(8.064)
Pay and Pensions	(22.211)	9.340	(12.871)	9.786	(3.085)
Workforce planning	(7.427)	0.434	(6.993)	2.666	(4.327)
Combined Authority	(2.120)	2.120	0.000	0.000	0.000
Risk management	(10.652)	0.652	(10.000)	0.254	(9.746)
Cost of living	(8.262)	0.227	(8.035)	8.035	0.000
Audit & Inspection	(1.837)	0.224	(1.613)	0.501	(1.112)
Other	(7.746)	1.879	(5.867)	1.076	(4.791)
School balances	(10.471)	(3.224)	(13.695)	(1.425)	(15.120)
Total	(199.224)	10.698	(188.526)	31.117	(157.409)

b. Capital grants unapplied account

The capital grants unapplied account shows the balance of capital grants the Council has received but has not yet applied to finance capital expenditure.

	2024/25 £m	2023/24 £m
Balance as at 1 April	(65.079)	(57.075)
Current year capital grants unapplied credited from comprehensive income and expenditure statement	(21.567)	(29.600)
Prior year capital grants applied against capital expenditure	22.941	21.596
Balance as at 31 March	(63.705)	(65.079)

c. Capital receipts reserve

The capital receipts reserve shows the available resources the Council has from the sale of its assets to finance future capital expenditure without grants and loans.

	2024/25 £m	2023/24 £m
Balance brought forward	(7.252)	(10.847)
Capital receipts received during the year	(13.864)	(2.356)
Capital receipts applied against prior year expenditure	0.000	0.083
Redistribution of Growth Deal grant clawback to other local authorities	0.000	0.822
Capital receipts applied against capital expenditure	6.122	1.852
Capital receipts used to finance transformation costs under flexible use of capital receipts regulations	0.810	3.194
Total	(14.184)	(7.252)

30. Unusable reserves

Movements in the Council's unusable reserves can be found in the movement in reserves statement (page 33) and note 3 (page 48).

	As at 31 March 2025 £m	As at 31 March 2024 £m	Notes
Revaluation reserve	(113.998)	(113.463)	30a
Capital adjustment account	(114.752)	(114.152)	30a
Financial instruments revaluation reserve	(19.903)	(24.198)	30b
Pooled investment funds adjustment account	3.607	4.106	30c
Pensions reserve	96.018	103.685	30d
Collection fund adjustment account	0.067	3.485	30e
Accumulated absences account	9.612	7.332	30f
Dedicated Schools Grant adjustment account	30.243	7.400	5
Deferred capital receipts reserve	(0.011)	(0.011)	
Total	(109.117)	(125.816)	

a. Capital adjustment account and revaluation reserve

The revaluation reserve contains the gains made by the Council arising from increases in the value of its property, plant and equipment. The capital adjustment account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and financing the acquisition, construction or enhancement of those assets under statutory provisions. The revaluation 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 capital adjustment account.

The capital adjustment account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the CIES (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 the Council as finance for the costs of acquisition, construction and enhancement. It also contains accumulated gains and losses on investment properties and gains recognised on donated assets that have yet to be consumed by the Council.

	2024/25		2023/24		Notes
	Capital adjustment account	Revaluation reserve	Capital adjustment account	Revaluation reserve	
	£m	£m	£m	£m	
Balance at 1 April	(114.151)	(113.463)	(98.101)	(114.324)	
Items relating to capital expenditure					
Depreciation of non-current assets	15.810	1.325	13.425	1.336	15a
Impairment of non-current and intangible assets	7.305	0.868	9.356	1.311	15a, 18
Revaluation (gains)/losses on property, plant and equipment and heritage assets	12.219	(3.442)	1.126	(2.913)	15a, 18
Amortisation of intangible assets	2.519	0.000	2.249	0.000	18
Revenue expenditure funded from capital under statute (REFFCUS)	22.830	0.000	36.959	0.000	19
Transformation costs financed by flexible use of capital receipts	0.810	0.000	3.194	0.000	
Non-current assets written off on disposal or sale	18.521	0.714	2.582	1.127	15a, 17b, 18, 19
Capital financing applied in the year					
Use of capital receipts to finance capital expenditure	(6.122)	0.000	(1.852)	0.000	20, 29c
Use of capital receipts to finance prior year capital expenditure	0.000	0.000	(0.083)	0.000	20, 29c
Flexible Use of Capital Receipts funding	(0.810)	0.000	(3.194)	0.000	29c
Use of current year capital grants to finance capital expenditure	(23.508)	0.000	(17.434)	0.000	20
Donated asset given to New Art Gallery	(0.320)	0.000	(0.082)	0.000	16c
Use of grant to finance REFFCUS	(7.717)	0.000	(25.304)	0.000	4b, 20
Use of carried forward capital grants to finance capital expenditure	(22.941)	0.000	(21.596)	0.000	20, 29b
Statutory provision for the financing of capital investment	(15.855)	0.000	(13.189)	0.000	20
Capital expenditure charged against the general fund	(3.093)	0.000	(2.156)	0.000	20
Movement in the market value of investment properties	(0.249)	0.000	(0.051)	0.000	17b
Balance at 31 March	(114.752)	(113.998)	(114.151)	(113.463)	

b. Financial instruments revaluation reserve

The financial instruments revaluation reserve contains the gains/losses made by the Council arising from changes in the value of its investments that are measured at fair value through other comprehensive income (Birmingham Airport and Sherbourne Recycling Ltd shares).

	2024/25 £m	2023/24 £m	Note
Balance at 1 April	(24.198)	(21.544)	
(Upward)/downward revaluation of investments	4.295	(2.654)	23b, 23d
Balance at 31 March	(19.903)	(24.198)	

c. Pooled investment funds adjustment account

The pooled investment funds adjustment account contains the gains/losses made by the Council arising from changes in the value of its investments in pooled investment funds that are measured at fair value through profit and loss (CCLA Property Fund).

	2024/25 £m	2023/24 £m	Note
Balance at 1 April	4.106	3.055	
(Upward)/downward revaluation of investments	(0.499)	1.051	23b, 23d
Balance at 31 March	3.607	4.106	

d. Pensions reserve

The pensions reserve absorbs the timing differences arising from the different arrangements for accounting of post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. Statutory arrangements, however, require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pay any pensions for which it is directly responsible. The debit balance on the pensions reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside when the benefits come due to be paid. Further information on the changes in the defined benefit pension scheme are shown in note 13 page 61.

	2024/25 £m	2023/24 £m	Note
Opening balance at 1 April	103.685	92.294	
Remeasurements of net defined benefits liabilities/(assets)	(157.832)	(70.423)	13b
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	31.954	28.755	13b
Employer's pensions contributions and direct payments to pensioners payable in the year	(40.062)	(34.871)	13b
Changes due to applying asset ceiling	158.273	87.930	13g
Balance at 31 March	96.018	103.685	

e. Collection fund adjustment account

The collection fund adjustment account manages the differences arising from the recognition of Council tax income in the CIES as it falls due from Council taxpayers compared with the statutory arrangements for paying across amounts to the general fund from the collection fund. Details on the collection fund can be found on page 114.

	2024/25 £m	2023/24 £m
Balance at 1 April	3.485	5.299
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	(0.993)	1.520
Amount by which NDR income credited to the comprehensive income and expenditure statement is different from NDR income calculated for the year in accordance with statutory requirements	(2.425)	(3.334)
Balance at 31 March	0.067	3.485

f. 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 £m	2023/24 £m
Balance at 1 April	7.332	6.943
Movement by which officer remuneration charged to CIES is different to that chargeable in year in accordance with statutory requirements compared to previous year	2.280	0.389
Balance at 31 March	9.612	7.332

31. Note to cash flow statement

	2024/25 £m	2023/24 £m	Notes
Adjustment for non-cash items in the net surplus/deficit on the provision of services			
Depreciation	(17.134)	(14.760)	15a, 30a
Revaluations and impairments	(19.525)	(10.483)	15a, 30a
Amortisation and impairments of intangible assets	(2.519)	(2.249)	18, 30a
Increase/(decrease) in debtors	(1.295)	10.745	26
(Increase)/decrease in creditors	(20.083)	(2.222)	27
Increase/(decrease) in inventories	0.017	(0.055)	
Movement in pension liability	8.108	6.116	13
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	(19.235)	(3.710)	15a, 20, 30a
Other non-cash items charged to the net surplus/deficit on the provision of services	3.065	(0.766)	
Total	(68.601)	(17.384)	
Adjustments for investing and financing activities in the net surplus/deficit			
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	13.864	2.356	29c
Any other items for which the cash effects are investing or financing cash flows	52.595	68.123	
Total	66.459	70.479	

32. 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 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.

Central Government

Central Government has effective control over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides most of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g., Council tax bills, housing benefits). Grants received from government departments are set out in the CIES on page 32. Grant receipts for 2024/25 are shown in note 4.

Local Government

Walsall Council is a constituent member of the West Midlands Combined Authority (WMCA) which consists of seven constituent members, eight non-constituent members and four observer members. Only constituent members have the right to vote on authority activities. No member has a controlling interest in the WMCA. Walsall Council does receive grants from WMCA so that it can deliver services to fulfil WMCA objectives. These are included within the CIES and note 4.

Members

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2024/25 is shown in note 11. During 2024/25, £0.556 million of works and services were commissioned from companies in which members had declared an interest. In addition, the Council paid grants totalling £2.873 million to voluntary organisations and associations including some where members had positions on the governing body. The grants were made with proper consideration of declarations of interest. The register of members' interest is open to public inspection at the Civic Centre during office hours or can be viewed on the Council's website.

Officers

Council officers are required to declare any interest under section 117 of the Local Government Act 1972. One Council officer sits as a director for Sherbourne Recycling Ltd, which is part owned by Walsall Council and classed as an associate company. The Council paid £2.323 million to Sherbourne Recycling Ltd for the processing and transportation of mixed recycling waste during 2024/25.

There were no other significant transactions between the Council and any companies/organisations that the Council's Executive Directors, Directors and Heads of Service have interests in during 2024/25.

Other public bodies (subject to common control by Central Government)

The Council has a pooled budget arrangement with Black Country ICB (Formerly NHS Black Country and West Birmingham CCG) for an integrated health and social care service for adults with learning difficulties and a Better Care Fund (BCF). Transactions and balances outstanding are detailed in note 5.

Other entities the Council has an interest in

West Midlands Growth Company Ltd

Walsall Council are part owners of West Midlands Growth Company Ltd (WMGCL) along with the WMCA and the other six West Midlands Councils. WMGCL was formed in April 2017 as a new economic development and investment body at the request of the West Midlands Combined Authority to support delivery of Strategic Economic Plan targets, such as more jobs for the region, and facilitate the growth of the region's economy. There were no material transactions between the WMGCL and Walsall Council in 2024/25.

West Midlands Rail Ltd

Walsall Council are part owners of West Midlands Rail Ltd (WMRL) along with WMCA, the other six West Midlands Councils, Northamptonshire County Council, Herefordshire Council, Shropshire Council, Staffordshire County Council, Borough of Telford and Wrekin, Warwickshire County Council and Worcestershire County Council. As the seven West Midlands Councils (including Walsall) are not Local Transport Authorities they are associate full members with their voting rights held by the WMCA as the Local Transport Authority for the West Midlands Conurbation. West Midlands Rail was created with the purpose of specifying and managing rail franchising for the West Midlands. There were no material transactions between the WMRL and Walsall Council in 2024/25.

Birmingham Airport Holdings Ltd

The seven West Midlands local authorities including Walsall Council own 49% of Birmingham Airport Holdings Ltd.'s (BAH) 320 million ordinary shares of £0.01 each. The Council owns 4.88% of these shares. The other shareholders are Airport Group Investments Limited (48.35%) and an employee share trust (2.75%). In addition, the seven West Midlands authorities own all BAH's 6.31%

preference shares, of which Walsall Council owns 9.95%. These are cumulative and irredeemable. There were no material transactions between the BAH and Walsall Council in 2024/25.

Sherbourne Recycling Ltd

Sherbourne Recycling Ltd was incorporated on 1 April 2021 as a company limited by guarantee to develop and operate a new state of the art materials recycling facility (MRF) in Coventry on behalf of eight local authorities. The shareholders of this company are eight local authorities including Walsall.

The Council has a shareholding of 19.66% of the company and is the second largest shareholder. As such Walsall Council accounts for this interest as being an associate. At present as the amounts involved are immaterial, group accounts have not been produced, with the Council's share of reserves being £0.012 million.

The total value of capital loans Sherbourne Recycling Ltd has with the council as at 31 March 2025 is £11.863 million.

33. Events after the balance sheet date

The statement of accounts was authorised for issue by the Chief Financial Officer on 23 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 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

In accordance with IAS 10 – Events After the Reporting Period there is nothing to be disclosed as adjusting events.

In accordance with IAS 10 – Events After the Reporting Period there is one item to be disclosed as non-adjusting events.

On 1 June 2025 six schools converted to academy status:

- | | | |
|--------------------------|------------------|----------------|
| • Rushall Primary School | Value 31/03/2025 | £2.143 million |
| • Oakwood Special School | Value 31/03/2025 | £2.433 million |
| • Palfrey Infant School | Value 31/03/2025 | £2.895 million |
| • Hillary Primary School | Value 31/03/2025 | £3.712million |
| • Delves Infant School | Value 31/03/2025 | £2.172 million |
| • Delves Junior School | Value 31/03/2025 | £3.664 million |

As the conversion took place on 1 June 2025 these will be accounted for within the 2025/26 accounts in line with other academy conversions with all assets being derecognised within the council's accounts.

34. Contingent liabilities and contingent assets

The Council does not have any material contingent liabilities or assets as at 31 March 2025.

35. Critical judgements in applying accounting policies

In applying the accounting policies set out in note 38, 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:

- To determine whether a property that generates rentals are classed as an investment property reference is made to the reasons as to why that property was acquired. Only where income generation was the sole purpose for acquisition from sources such as committee papers authorising the acquisition will it be classified as an investment property. Where it is acquired as part of a regeneration project it is classified as an operating property.
- In determining whether to include full group accounts due to the Council's interest in Sherbourne Recycling Ltd as an associate, the annual results of the company have been inspected and the Council's share of these results using the equity accounting method as outlined by the Code calculated. Based on these results it was determined that the Council's share is not material and would not distort the Council's financial position to a reader of the accounts.

36. 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 are otherwise uncertain. Estimates are made considering 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 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions Liability – note 13	Estimation of the net liability to pay pensions depends on several 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 consulting actuary is engaged to provide the pension fund and fund member organisations with expert advice about the assumptions to be applied.	The effects on the net pension liability of changes in individual assumptions can be measured. For details on sensitivity for pension schemes please refer to page 64.

There is an element of uncertainty within asset valuations as all valuations are an estimate of value which cannot be fully demonstrated unless a property is sold. Therefore, the Council has carried out a sensitivity analysis on all property values to determine the potential impact if there were variations in asset values based on a global 1% or 5% change in values. The summary of this is shown in following table.

	Assets value as at 31 March 2024 £m	Change in valuation	
		1% £m	5% £m
Operational land and buildings - non-DRC valuation	57.689	0.577	2.884
Operational land and buildings - DRC valuation	310.828	3.108	15.541
Surplus assets	8.836	0.088	0.442
Investment Properties	2.503	0.025	0.125
Assets held for sale	3.966	0.040	0.198
Grand Total	383.822	3.838	19.190

Of our total operational land and buildings approximately 84% by value are valued on a DRC basis on an annual basis. These valuations are calculated using the Building Cost Information Service (BCIS) index which are based on construction costs for a modern equivalent asset which are produced quarterly. These will be impacted through increased inflation rates.

37. Accounting policies being adopted in the following year

The Code for 2025/26 is introducing two new standards IAS 21 – The effects of changes in foreign exchange rate (lack of exchangeability) and IFRS 17 Insurance Contracts. After reviewing these standards, they will not affect Walsall Council's accounts.

38. Material accounting policies

General principles

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 by the Accounts and Audit Regulations 2015 in accordance with proper accounting practices. These practices comprise the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) supported by International Financial Reporting Standards (IFRS).

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

Accruals of expenditure and income

There is a de-minimis level in place for all accruals of income and expenditure. This level is reviewed annually and is currently set at £10,000. Accruals are not required to be made for individual transactions under this value, with the exception of the following:

- Any grant where applying the de-minimis level would affect the claim.
- Accruals which are calculated using system automated reports.
- For a group of similar transactions where there would be a material impact upon the management or financial accounts of not processing the accrual, for example trading services.
- Accruals for schools income and expenditure.

Cash and cash equivalents

The Council identifies cash as being both cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are any deposits made with financial institutions that have an initial maturity period of less than three months and readily convertible to known cash amounts with insignificant risk of change in value.

Employee benefits

Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy. These are charged on an accruals basis to the relevant service at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the general fund balance to be charged with the amount payable by the Council to the pension fund or individual in the year, not the amount calculated according to the relevant accounting standards.

Post employment benefits

Local government pension scheme

The liabilities of the West Midlands Pension Fund attributable to the Council are included in the balance sheet on an actuarial basis using the projected unit method – 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, employee turnover rates, etc. and projections of future earnings for current employees.

Liabilities are discounted to their value at current prices, based on the weighted average of spot yields on high quality corporate bonds.

The assets of the West Midlands Pension Fund attributable to the Council are included in the balance sheet at their fair value:

- Quoted securities - current bid price
- Unquoted securities - professional estimate
- Unitised securities - current bid price
- Property - market value

In relation to retirement benefits, statutory provisions require the general fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards.

Accounting Standard IAS19 (Employee Benefits) states an entity shall recognise the net defined benefit liability/asset in the statement of financial position. In line with IAS19 and IFRIC14 (the standard that limits the recognition of the asset), when the actuary determines a defined benefit asset, the asset is recognised at the lower of the surplus in the defined benefit plan and the asset ceiling calculated by the actuary.

Discretionary benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise because 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.

Fair value measurement

The Council measures some of its non-financial assets, such as surplus assets, investment properties, financial instruments held at fair value through profit and loss and financial instruments held at fair value through other comprehensive income, at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly

transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability, or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – unobservable inputs for the asset or liability.

Financial instruments

Financial assets

Financial assets are classified into three types:

- Amortised cost
- Fair Value through Profit or Loss (FVPL)
- Fair Value through Other Comprehensive Income (FVOCI)

The Council's business model is to hold investments to collect contractual cash flows. If payments are solely principal and interest, they are classified as amortised cost. Otherwise, they are classed as FVPL or FVOCI.

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 surplus and deficit on provision of services for interest receivable are based on the carrying amount of the asset multiplied by the effective interest rate for the instrument. For most of the loans that the Council has made, this means that the amount presented in the balance sheet is the outstanding principal receivable and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Financial assets measured at FVPL

Financial assets measured at FVPL are recognised on the balance sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value.

Fair values are based on the following techniques:

- Instruments with quoted market prices – the market price
- Other instruments with fixed and determinable payments – discounted cash flow analysis

Financial assets measured at FVOCI

With the adoption of IFRS 9 – Financial Instruments the standard requires that investments in equity be classified as fair value through profit and loss unless there is an irrevocable election to designate the asset as fair value through other comprehensive income. The investments in Birmingham Airport Holdings (BAH) and Sherbourne Recycling Limited are both equity instruments and as such, the default position is that any gains and losses on changes in fair value would be recognised through profit and loss.

As these are both strategic investments not held for trading the Council has opted to make the irrevocable decision to designate them both as fair value through other comprehensive income. This decision results in no impact on the revenue budget. Any gains or losses on the valuation of the shareholding will therefore be transferred to a Financial Instruments Revaluation Reserve.

Financial assets measured at FVOCI are recognised on the balance sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value.

Fair values are based on the following techniques:

- Instruments with quoted market prices – the market price
- Other instruments with fixed and determinable payments – discounted cash flow analysis

Financial liabilities

Financial liabilities 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.

Government/non-government grants and contributions

Whether paid on account, by instalments or in arrears, grants and third-party contributions and donations are recognised as income due to the Council when there is reasonable assurance that:

- the grants/contributions will be received.
- the Council will comply with any conditions attached to the payments.

Where the conditions have not been satisfied the grant/contribution will be carried on the balance sheet as creditors. When the conditions have been satisfied the grant/contribution will be recognised in the CIES by either crediting:

- the relevant service line (attributable revenue grants/contributions and capital grants used to finance REFFCUS spend in year)
- taxation and non-specific grant income (un-ringfenced revenue grants and capital grants received in year excluding those used for REFFCUS)

Where capital grants are credited to the CIES, they are reversed out of the general fund balance in the movement in reserves statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the capital grants unapplied reserve. Where it has been applied, it is posted to the capital adjustment account. Amounts in the capital grants unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Property, plant and equipment (excluding highways infrastructure assets)

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis. This is provided that it is probable that future economic benefits or service potential will flow to the Council, and that the cost of the expenditure can be measured reliably. Any expenditure that does not meet these criteria i.e., it maintains the asset's potential to deliver future economic benefits and service potential (day to day servicing/repairs and maintenance), is charged to revenue as it is incurred.

The Council does not set a de-minimis level for capitalising costs as it considers that spend that is of a capital nature should be accounted for as such.

Where the Council incurs capital spend on or has revalued any property, plant and equipment this will be reviewed to determine whether there are any material components. An identifiable component within a main asset (e.g., a lift within a building) will be recognised separately and accounted for like any other piece of property, plant and equipment. The Council will only review material components where the main asset has a gross book value of £1 million. Individual components will only be recognised where the value is greater than £150k or they represent a significant proportion of the main asset.

Measurement and depreciation

Property, plant and equipment are initially measured at cost, except donated assets which are measured at fair value. Where it is a donated asset the measurement of the asset at fair value does not constitute a revaluation and is not recognised as such.

After recognition property, plant and equipment assets are depreciated and valued as shown in the following table.

	Valuation basis	Asset life	Depreciation method
Operational buildings - general	Existing use value	10-80 years	Straight line
Operational buildings - specialised	Depreciated replacement cost	10-100 years	Straight line
Plant, vehicles and equipment	Current value*	3-10 years	Straight line
Community assets	Historic cost	No determinable asset life	Not depreciated
Surplus assets	Fair value - market value	10-80 years	Straight line
Assets under construction	Historic cost	n/a	Not depreciated

***For vehicles, plant and equipment due to their short operational lives the Council uses depreciated historic cost as a proxy for current value.**

The Council has adopted a policy of applying full depreciation in the year of acquisition and no depreciation in the year of disposal.

Assets included in the balance sheet at current value are revalued 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.

Disposals

When property, plant and equipment assets are disposed of or decommissioned the net gain or loss is taken to the CIES.

Amounts in excess of £10,000 are categorised as capital receipts. A proportion of receipts (75%) relating to mortgages given to former tenants who purchased their properties under the right to buy scheme is payable to the government. The balance of the receipts is credited to the capital receipts reserve.

Highways infrastructure assets

Highways infrastructure assets comprise carriageways, footways and cycle tracks, structures (e.g., bridges), street lighting, street furniture, traffic management systems and land. Together they form a single integrated network.

Recognition

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

Measurement

Highways Infrastructure assets are measured using a modified depreciated historical cost. The balances for highways infrastructure assets were originally recorded in balance sheets at amounts of capital undischarged for sums borrowed as at 1 April 1994. This was deemed at that time to be equivalent to 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 infrastructure assets that are subject to deterioration or depletion. Depreciation is charged on a straight-line basis.

Annual depreciation is the depreciation amount allocated each year. The useful lives of the various parts of the highways network are as follows:

	Useful life
Carriageways	35 years
Footways and cycle tracks	50 years
Structures	100 years
Street lighting (excluding PFI scheme)	31 years
Street lighting PFI	30 years
Street furniture	30 years
Traffic management systems	15 years

Disposals and derecognition

When highways infrastructure assets are disposed of or decommissioned the net gain or loss is taken to the CIES.

Impairment of non-current assets

At the end of the financial period all non-current assets (excluding non-current assets classified as held for sale) are assessed by type of asset for an indication of any possible impairment. If there is an indication of a possible impairment, an estimate of the new asset value is made. If there is no indication of a possible impairment no further action is taken.

If the conditions that gave rise to an earlier impairment no longer exist, the impairment is reversed out of the CIES and reinstated to the asset value. This reversal will not exceed what would be the carrying amount for the asset at the reversal date had the impairment not taken place. Any excess to this amount is treated as a revaluation gain and recognised in the revaluation reserve.

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, it is reclassified as an asset held for sale. The asset is revalued immediately before reclassification and then carried at the lower of this existing net book value or fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is recognised. Any gains in fair value are recognised only up to the amount of any previous losses previously recognised. 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.

Intangible assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g., software licenses) are recognised as intangible assets if it is probable that future benefits created by the asset will flow to the Council.

Intangible assets are initially measured at cost. After recognition intangible assets are carried at cost less accumulated amortisation and impairments.

Amortisation of intangible assets is carried out where a finite useful life is identified. Amortisation is based on what is determined to be a pattern that reflects the use of economic benefits. If this pattern is not determinable then the asset is amortised on a straight-line basis.

Heritage assets

The accounting policy for heritage assets as laid out below makes no distinction between tangible and intangible heritage assets. The assets the Council holds cover both tangible (e.g., war memorials) and intangible (e.g., the audio-visual material held within the Epstein Archive) heritage assets.

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 of the measurement rules are different in relation to heritage assets as detailed below.

The Council includes the Council House and Town Hall, and Walsall Library/Museum buildings within its asset base. Although these are historical buildings, they are operational assets i.e., the Council uses them to deliver its services. These are included within property, plant and equipment and valued using the depreciated replacement cost (DRC) methodology and depreciated over their remaining useful life.

The Council's heritage asset collections are accounted for as follows:

Art collections

The art collections are reported on the balance sheet at insurance valuation, based on market values. These assets are deemed to have indeterminate lives and a high residual value. Therefore, the Council does not consider it appropriate to charge depreciation.

Acquisitions are made by purchase or donation in line with the gallery's acquisition policy. Acquisitions are initially recognised at cost and donations are recognised at insurance valuation.

Museum collections

The museum collections are reported at insurance valuation, based on market values for those items over £1,000. The Council maintains an inventory of this collection however there is no readily available valuation held by the Council for items of less than £1,000. The Council believes that the benefits of obtaining a valuation for these items to the user of the accounts would not justify the cost given the specialised nature of this archive. As such the Council has not recognised items less than £1,000 on the balance sheet.

For those assets held on the balance sheet they are deemed to have indeterminate lives and a high residual value. Therefore, the Council does not consider it appropriate to charge depreciation.

Acquisitions are made by purchase or donation. Acquisitions are initially recognised at cost and donations are recognised at insurance valuation if the value is over £1,000.

Local history archive

The Council's local history archive has no readily available valuation held by the Council. There is no definitive market value for these types of assets as they are normally obtained by donation. The Council believes that the benefits of obtaining a valuation for these items to the user of the accounts would not justify the cost given the specialised nature of this archive. As such the Council has not recognised this archive on the balance sheet.

Civic regalia

The Council holds civic regalia for use by the Mayor and Mayoress for official ceremonial purposes. These are reported at insurance valuation. Due to the nature of these assets the Council does not deem it appropriate to charge depreciation.

Other heritage assets

The Council has five statues, a number of war memorials, memorial clocks and public art works around the Borough. There is no readily available valuation held by the Council for these types of assets and no definitive market value as they are not normally traded. The Council believes that the benefits of obtaining a valuation for these items to the user of the accounts would not justify the cost given the specialised nature of these assets. As such the Council has not recognised these assets on the balance sheet.

Heritage assets – General

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g., where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment – see accounting policy for property, plant and equipment. The Council may occasionally dispose of heritage assets which have a doubtful provenance or are unsuitable for public display. The proceeds of such items are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment.

Leases

Council as lessee

The authority classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

Initial measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The authority initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the authority's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the authority is reasonably certain to exercise
- lease payments in an optional renewal period if the authority is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the authority is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The authority considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee
- the authority changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

Low value and short lease exemption

As permitted by the Code, the authority excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the authority is reasonably certain to exercise and any termination options that the authority is reasonably certain not to exercise).

Council as lessor

Operating leases

Where the authority 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 or where this is initiated by a service to the individual service, 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.

Accounting for schools

The Code confirms that the balance of control for local authority-maintained schools (i.e., Community, Voluntary aided and Voluntary maintained schools) lies with the Council. Therefore, schools' transactions, cash flows and balances are recognised in each of the financial statements of the Council as if they were the transactions, cash flows and balances of the Council, rather than requiring consolidation in the Group Accounts. Academies are outside of the Council's control and their transactions are not reflected in the Council's accounts.

Recognition of School Assets

The significant assumptions applied in estimating the fair values are School assets are carried on the balance sheet in accordance with the legal status of ownership or intended legal status and any other arrangements in place regarding the use of these schools. The recognition of land and buildings for each type of school is based on the code requirements and accounting standards to

determine the underlying relationship to the Council of each type of school. Based on these tests the Council has identified the following classification of schools within the accounts.

- Community - on balance sheet
- Foundation - on balance sheet
- Voluntary Controlled - on balance sheet
- Voluntary Aided - off balance sheet
- Academies - Academies are outside of the Council's control and their transactions are not reflected in the Council's accounts.

Capital expenditure on voluntary aided schools is treated as revenue expenditure funded from capital under statute.

PFI Schemes

The Council has one school subject to PFI contract, which is not shown on the Council's balance sheet. This is because it is a voluntary aided school and the control of the right to use the buildings has passed to the school trustees.

Collection fund statement

The collection fund is an agent's statement that reflects the statutory obligation of billing authorities to maintain a separate collection fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers of Council tax and non-domestic rates (NDR) and distribution to local authorities, preceptors and the government.

	2024/25			2023/24			Collection Fund Notes
	Council Tax £m	NDR £m	Total £m	Council Tax £m	NDR £m	Total £m	
Income							
Council tax income	(177.631)	0.000	(177.631)	(165.419)	0.000	(165.419)	
Business rates income	0.000	(74.330)	(74.330)	0.000	(64.531)	(64.531)	
Total income	(177.631)	(74.330)	(251.961)	(165.419)	(64.531)	(229.950)	
Expenditure							
<u>Payments to precepting bodies</u>							
Walsall Council	152.382	73.916	226.298	145.381	71.244	216.625	3
West Midlands Police Authority	15.754	0.000	15.754	14.825	0.000	14.825	3
West Midlands Fire and Rescue Authority	5.497	0.744	6.241	5.345	0.719	6.063	3
Costs of collection	0.000	0.318	0.318	0.000	0.320	0.320	
Transitional protection payments	0.000	(1.663)	(1.663)	0.000	(10.404)	(10.404)	
Enterprise Zone and other deferred payments	0.000	0.316	0.316	0.000	0.066	0.066	
Interest paid on refunds to ratepayers	0.000	0.196	0.196	0.000	0.087	0.087	
Write offs in year	1.298	1.401	2.699	3.885	0.028	3.913	
Allowance for impairments	1.570	(1.040)	0.530	(2.293)	(0.144)	(2.437)	6
Provision for appeals	0.000	(2.055)	(2.055)	0.000	(0.789)	(0.789)	6
Total expenditure	176.501	72.133	248.634	167.142	61.126	228.268	
(Surplus)/deficit for year	(1.130)	(2.197)	(3.327)	1.723	(3.405)	(1.681)	
Collection fund balance							
Balance brought forward at 1 April	1.180	2.623	3.804	(0.543)	6.028	5.485	
Prior year balance adjustment	0.000	0.000	0.000	0.000	0.000	0.000	
(Surplus)/deficit for the year	(1.130)	(2.197)	(3.327)	1.723	(3.405)	(1.681)	
Balance carried forward at 31 March	0.050	0.426	0.477	1.180	2.623	3.804	
Allocated to:							
Walsall Council	0.044	0.022	0.066	1.037	2.447	3.484	
Walsall Council Enterprise Zone and other deferred payments	0.000	0.316	0.316	0.000	0.066	0.066	
West Midlands Police Authority	0.004	0.000	0.004	0.106	0.000	0.106	
West Midlands Fire and Rescue Authority	0.002	0.004	0.006	0.037	0.026	0.063	
Central government	0.000	0.084	0.084	0.000	0.084	0.084	
	0.050	0.426	0.476	1.180	2.623	3.803	

The Council has a statutory requirement to operate a collection fund as a separate account to the general fund. The purpose of the collection fund is to isolate the income and expenditure relating to

Council tax and NDR. The administrative costs associated with the collection process are charged to the general fund.

2024/25 was the seventh and final year the Council participated in the 100% Business Rates Retention pilot with the six other West Midlands Metropolitan Authorities, with each billing authority retaining 99% of Non-Domestic Rates (NDR) received with the remaining 1% for the West Midlands Fire Service.

Walsall Council is part of the West Midlands Combined Authority Trailblazer deeper devolution deal which came into effect 1 April 2024. Under this arrangement, the Council will continue to retain 99% of non-domestic rating income. This agreement will be in place for the financial years 2024-25 to 2033-34 inclusive.

Collection fund surpluses declared by the billing authority in relation to Council tax are apportioned to the relevant precepting bodies in the subsequent financial year. Deficits likewise are proportionately charged to the relevant precepting bodies in the following year. For Walsall, the Council tax precepting bodies are the West Midlands Police and the West Midlands Fire and Rescue Service (WMFS).

NDR surpluses declared by the billing authority in relation to the collection fund are apportioned to the relevant precepting bodies in the subsequent financial year in their respective proportions. Deficits likewise are proportionately charged to the relevant precepting bodies in the following year.

Notes to the collection fund

1. Council tax base

Council tax derives from charges raised according to the value of residential properties, which have been classified in 8 valuation bands (A-H) for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the collection fund by the Council for the forthcoming year and dividing this by the Council tax base (i.e., the equivalent numbers of band D dwellings). The following table shows the number of properties in each band and the number of band D equivalent properties (the Council tax base).

Band	Weighting	Chargeable dwellings	Band D equivalent 2024/25	Band D equivalent for 2023/24
A	6/9	34,078	22,709	22,553
B	7/9	21,851	16,995	16,876
C	8/9	16,252	14,447	14,383
D	9/9	9,347	9,347	9,378
E	11/9	5,170	6,319	6,320
F	13/9	2,221	3,208	3,200
G	15/9	784	1,306	1,293
H	18/9	45	90	87
		89,748	74,421	74,090

2. Payments to precepting bodies

The following table analyses the payments distributed (to)/from the collection fund for Council tax and business rates.

	2024/25			2023/24		
	Council Tax £m	NDR £m	Total £m	Council Tax £m	NDR £m	Total £m
Walsall Council						
Precept demand	152.032	79.134	231.166	144.163	75.771	219.934
Surplus/(deficit) payment	0.350	(5.218)	(4.868)	1.218	(4.527)	(3.309)
	152.382	73.916	226.298	145.381	71.244	216.625
West Midlands Police Authority						
Precept demand	15.721	0.000	13.467	14.707	0.000	13.467
Surplus/(deficit) payment	0.033	0.000	0.027	0.118	0.000	0.027
	15.754	0.000	13.494	14.825	0.000	13.494
West Midlands Fire and Rescue Authority						
Precept demand	5.485	0.797	6.282	5.302	0.765	6.067
Surplus/(deficit) payment	0.012	(0.053)	(0.041)	0.043	(0.046)	(0.003)
	5.497	0.744	6.241	5.345	0.719	6.064

3. Business rates tax base

For 2024/25, the total non-domestic rateable value at the year-end is £202.942 million (£202.772 million in 2023/24). The national multipliers for 2024/25 were 49.9p for qualifying small businesses, and the standard multiplier being 51.2p for all other businesses (no change from 49.9p and 51.2p respectively in 2023/24).

4. Income from business ratepayers

The Council collects non-domestic rates (NDR) for its area based on local rateable values provided by the Valuation Office Agency (VOA) which is multiplied by a uniform business rate set nationally by central government.

Central government set a baseline level of business rates income for each authority, identifying the expected level of retained business rates and a top up or tariff amount to ensure that all authorities receive their baseline amount. Tariffs due from authorities payable to central government are used to finance the top ups to those authorities who do not achieve their targeted baseline funding. In this respect, Walsall received a top up grant to the General Fund in 2024/25 to the value of £22.077 million (£20.745 million in 2023/24).

In addition to the local management of business rates, authorities are expected to finance appeals made in respect of rateable values as defined by VOA. As such, authorities are required to make a provision for these amounts. Appeals are charged and provided for in proportion to the precepting shares.

5. Council tax/NDR allowance for impairments and NDR provision for valuation appeals

The collection fund account provides for an allowance for impairments to Council tax arrears.

	2024/25			2023/24		
	Walsall £m	Preceptors £m	Total £m	Walsall £m	Preceptors £m	Total £m
Balance at 1 April	(9.242)	(1.289)	(10.531)	(11.261)	(1.563)	(12.824)
Write offs during year	1.137	0.161	1.298	3.373	0.468	3.841
Contributions (to)/from provisions during year	(2.496)	(0.372)	(2.868)	(1.354)	(0.194)	(1.548)
Net (Increase) / Decrease in Provision	(1.359)	(0.211)	(1.570)	2.019	0.274	2.293
Balance at 31 March	(10.601)	(1.500)	(12.101)	(9.242)	(1.289)	(10.531)

The collection fund account also provides for an allowance for impairments to NDR arrears.

	2024/25			2023/24		
	Walsall £m	Preceptors £m	Total £m	Walsall £m	Preceptors £m	Total £m
Balance at 1 April	(4.824)	(0.049)	(4.873)	(4.967)	(0.050)	(5.017)
Contributions (to)/from provisions during year	1.029	0.011	1.040	0.143	0.001	0.144
Net (Increase) / Decrease in Provision	1.029	0.011	1.040	0.143	0.001	0.144
Balance at 31 March	(3.795)	(0.038)	(3.833)	(4.824)	(0.049)	(4.873)

Business rate payers can appeal against their rateable value. Any appeals lodged with the Valuation Office Agency (VOA) that have not been settled by 31 March 2025 require a provision to be set aside in the collection fund account. Walsall's share of this provision, £3.059 million, is shown in note 28 Provisions page 92.

	2024/25			2023/24		
	Walsall £m	Preceptors £m	Total £m	Walsall £m	Preceptors £m	Total £m
Balance at 1 April	(5.093)	(0.052)	(5.145)	(5.874)	(0.060)	(5.934)
Amounts utilised in the year	4.119	0.041	4.160	3.000	0.030	3.030
Contributions (to)/from provisions during year	(2.085)	(0.020)	(2.105)	(2.219)	(0.022)	(2.241)
Net (Increase) / Decrease in Provision	2.034	0.021	2.055	0.781	0.008	0.789
Balance at 31 March	(3.059)	(0.031)	(3.090)	(5.093)	(0.052)	(5.145)

Annual governance statement

1. Scope of responsibility

This statement is given in respect of the 2024/25 statement of accounts for Walsall Council. Walsall Council is responsible for ensuring that its business is conducted in accordance with the laws and proper standards, and that public money is safeguarded, properly accounted for, and used economically, effectively and efficiently. Walsall Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Walsall Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and this includes arrangements for the management of risk.

Walsall has approved and adopted a Code of Governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government and sets out its commitment to good governance. This statement explains how Walsall Council has complied with the Code and also meets the requirement of the Accounts and Audit Regulations 2015.

2. The purpose of the Governance Framework

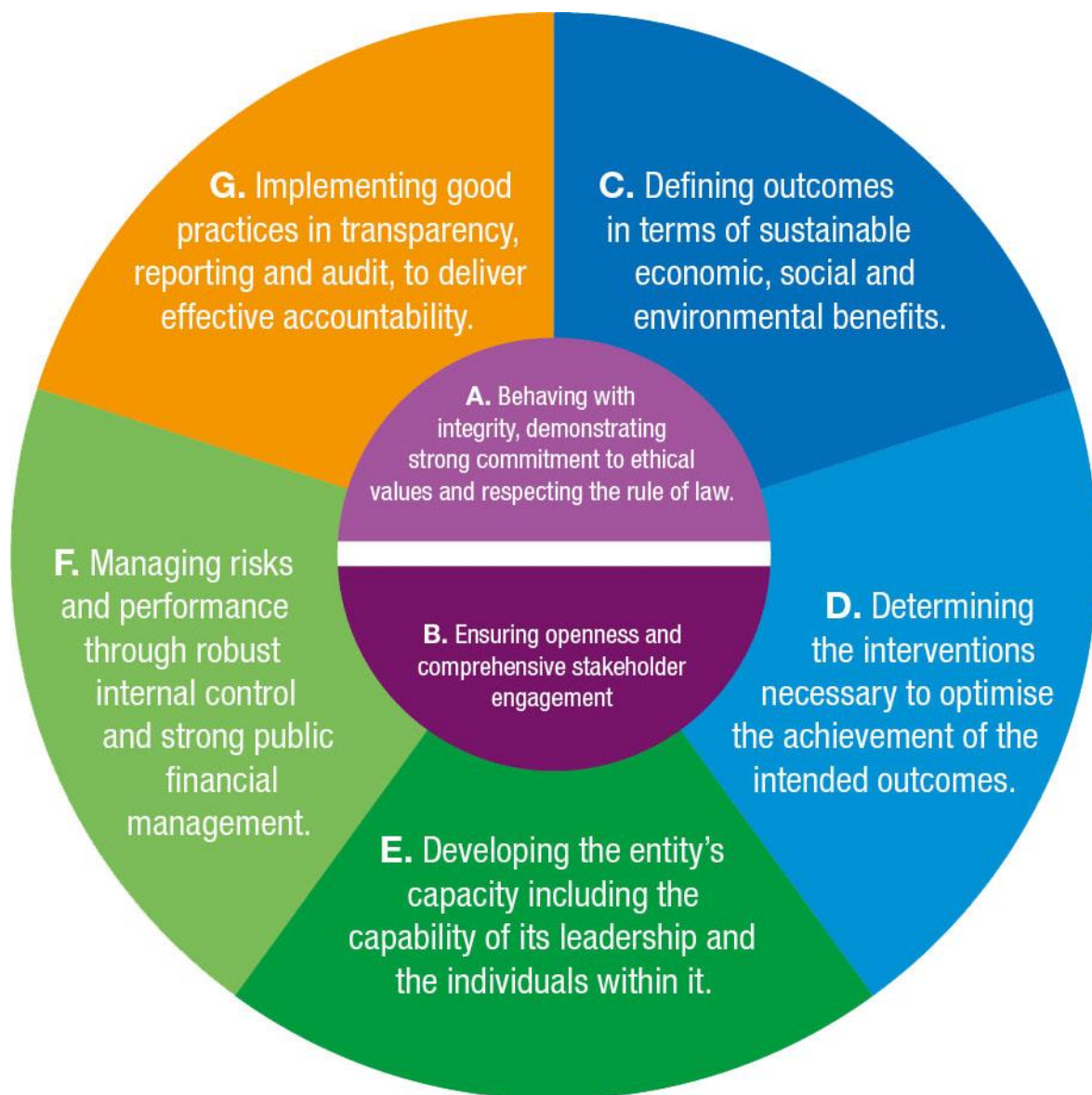
The governance framework comprises the systems, processes, and behaviours by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether these objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Walsall Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Walsall Council for the year ended 31 March 2025 and up to the date of approval of the Statement of Accounts.

3. The Governance Framework

The key elements of the council's governance arrangements, including the system of internal control, are contained in the council's Local Code of Governance (The 'Code'). The Code in force during 2024/25. The Code incorporates seven core principles of good governance illustrated in the following diagram:



- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- B. Ensuring openness and comprehensive stakeholder engagement.
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes.
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- F. Managing risks and performance through robust internal control and strong public financial management.
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

The governance framework is comprised of the local Code of Governance supported by the strategies, corporate systems, policies, practices and processes, spanning the whole range of the council's activities. This includes management information, finance and contract rules, established financial, budgetary, personnel and other procedures, a performance management framework, community and corporate planning, management supervision in accordance with the Continuous Improvement Conversations (CIC) process, a risk management strategy and process, and a system

of officer and member delegation and accountability and Codes of Conduct. Diagram 1 illustrates the overall governance framework. Updates for 2024/25 are shown in green.

The Code was updated in 2023 in consultation with Audit Committee, approved by the Corporate Management Team in April 2024 and has been rolled out across the organisation. The Code is currently under review and will be updated to reflect outcomes from the review of governance arrangements and changes to the Council's core values and the Council Plan 2025-29.

Diagram 1: ANNUAL GOVERNANCE STATEMENT (AGS) FRAMEWORK 2024/25

Framework – Key documents / process guidelines supporting delivery of the Council's Aim, Priorities and Outcomes:

- Local Code of Governance
- Budget and Medium Term Financial Framework
- Performance Management Framework (including Corporate Planning Process and Continuous Improvement Conversation Process)
- Risk Management Strategy and Corporate Risk Register
- Counter Fraud Policy and Money Laundering Policy
- Policies, procedures, constitution, codes of conduct
- Partnership arrangements

Supported by Authority & Directorate Policies, Procedures and the following Assurance Arrangements

Corporate Process:
Officer responsibility for drafting AGS and evaluating **assurances** and supporting evidence

Audit Committee Approve the Annual Governance Statement

Audit Committee:
- receives the annual review of the effectiveness of its system of internal control

Approval of AGS by the Leader of the Council and Chief Executive

Performance, Information and Data Management

- We Are Walsall 2040
- Our Council Plan 2025-29
- Health & Wellbeing Strategy
- Performance Management Framework
- Strategic Transformation Plans / Service/Team planning
- Continuous Improvement Conversations (CIC's)
- Performance monitoring & reporting (Cabinet, CMT & Scrutiny)
- Intelligence gathering (incl. equality impact, need assessments & consultation)
- Transformation Board
- Technical Design Advisory
- Information & Data Quality, Security and Management
- Forum for Information Governance (FIGA)

Risk Management

- Risk Management
- Strategic Risk Register
- Reports to Council / Cabinet / Audit Committee
- Strategic Management & Oversight by CMT / Director Group
- Financial Risk Assessment
- Directorate Risk Registers / Champions
- Employee Risk Assessments
- Information Risk & Security
- Business and emergency resilience

Legal and Regulatory Assurance

- Monitoring Officer (MO) & Chief Financial Officer (CFO) protocols
- Statutory Officer Group (SOG)
- CFO & MO attend council Committees
- Legal & Finance implications in all reports
- Information Rights management & assurance
- Partnership Incident Management Meetings
- Health & Safety Board
- EqlAs for policy changes
- Public Sector Equality Duty (PSED)

Elected Member's Assurance and the Work of Audit Committee

- The work of Audit Committee
- Independent member representation on Audit Committee and Independent Chair
- Code of Conduct
- Constitution
- Member development
- Statutory Member Training
- Council Plan
- Committee Meetings
- AGS sign off
- Partnership working (local and regional)
- Community engagement
- Stronger leader executive decision making
- Standards / regulatory Committees
- Overview and Scrutiny Committees

Assurances by Executive Directors / Directors / Heads of Service

- Management assurances
- Review of audit reports & agreed recommendations
- Performance monitoring, directorate level reporting (DMT's)
- Officer delegations
- Service level financial and HR monitoring
- Director Group
- Senior Management Group

Other sources of assurance (including 3rd party)

- Fraud reports & investigations
- Post implementation reviews of projects
- Scrutiny Working Party Reports
- Human Resource Policies & Procedures including employee Code of Conduct
- Joint National Consultative Committees (JNCC)
- Employee Relations Forum (ERF)
- Reports by Inspectorates and follow up actions
- Ombudsman Reports
- Peer Reviews and follow up actions
- Senior Information Risk Owner (SIRO) and Caldicott Guardian

Financial control assurance

- Medium Term Financial Framework & Outlook / Plan
- Accountable Body status, protocol & grants manual
- Regular financial reports
- Financial rules
- Contract rules
- Constitution, scheme of delegations
- Statutory officer provisions
- Key systems, procedure notes
- Internal/External Audit reports
- Transformation & Finance Group
- Strategic Investment Board
- Financial Health Indicators

Internal Audit

- Internal Audit Opinion and Annual Report to Audit Committee and progress reports
- Operates under Charter and in accordance with CIPFA Public Sector Internal Audit Standards
- Rolling risk assessed audit plan, Audit Committee endorsed
- Assurance Mapping
- Ad hoc audits

External Audit

- Auditor's Annual Report & Value for Money opinion
- Opinion on Statement of Accounts "to those charged with governance" (the Audit Findings Report)
- Annual Plan
- Interim Audit
- Audit opinions
- Ad hoc projects

Ongoing assurance on adequacy and effectiveness of controls over key risks

The council acknowledges its responsibility for ensuring that effective governance arrangements, including an effective system of internal control (including financial control), are maintained and operated in connection with the resources concerned. Any system of internal control, including internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period. Development and maintenance of the system is undertaken by managers within the council.

In particular, the system includes the following key elements:

- A Partnership Plan (We Are Walsall 2040) setting out the long-term ambition, objectives and priorities of the council and key partners, developed following extensive consultation with the community and stakeholders during 2022 – supported by our refreshed Council Plan 2025-29.
- A robust financial framework, incorporating a comprehensive medium term financial strategy and plan, budget management and control framework, supported by financial procedures and guidelines underpinning sound financial management, reporting and standing.
- An information governance framework incorporating appropriate policies, procedures, standards and guidance that ensures robust controls are in place for compliance of our legal obligations under the UK Data Protection Regulations.
- A comprehensive risk management strategy and internal control framework, operating at both strategic and operational levels.
- An approved Constitution, including finance and contract rules, a scheme of delegations and decision-making processes of the council, ensuring sound decision making and compliance with regulations and the law.
- Standards Committee, Audit Committee, scrutiny function and other regulatory committees.
- Statutory Monitoring and Chief Finance Officers ensuring the council operates within existing legislation and statutory guidance.
- Comprehensive policies and procedures, including Codes of conduct (member and officer ethics and behaviours), a Counter-Fraud and Corruption Policy and whistleblowing policy.
- Clear measures of financial performance linked to the Council Plan 2025-29.
- The preparation of regular reports to managers, executive directors, Corporate Management Team (CMT), Directors Group and elected members which indicate actual expenditure against budget and highlight remedial action, where required.
- Use of an accountable body status protocol and grant management arrangements when the council acts as accountable body for funds, including in relation to partnership working to ensure that activities are administered consistently and robustly across the council.
- A risk assessed Internal Audit plan that is planned in advance and covers all major systems of internal control and which is based on a risk assessment of key systems and controls.
- An Internal Audit function that operates in accordance with the CIPFA Code of Practice, compliance with which it is assessed.

- An independent External Audit function which reports on the financial and governance arrangements of the council.
- Member and officer development strategy and individual development planning processes.
- Comprehensive communication and consultation arrangements both internally and externally.

There are a number of key elements of the governance framework and internal control environment which assist the council in monitoring and managing the achievement of its objectives. These are included in the council's published overarching strategies and plans including; the Council Plan (informed by key strategic needs assessments - the joint strategic needs assessment, economic needs assessment and community safety needs assessment); medium term financial framework and plan, annual corporate budget plan, capital strategy, risk management strategy; treasury management and investment strategy; change management approach, and directorate strategy and planning documents.

Responsibility for managing performance lies with individuals at all levels in the organisation and the current approach continues to aim to empower staff, services and leadership to apply the principles of performance management appropriately as required to individual circumstances. The council's Performance Management Framework was last reviewed and refreshed to fully align with the Corporate Planning process. The refreshed framework was presented to Audit Committee on 28 April 2022. The next review is currently in train and will align with the Council Plan 2025-29 and will be presented to Audit Committee at the first meeting of the 2025/26 municipal year.

On 16 April 2025, the Cabinet received a report titled "Continuous Improvement Transformation Programme Update." The report highlighted the excellent progress made in delivering the Proud programme over the past five years, which culminated in the Council receiving the LGC Most Improved Council Award in 2024. It also outlined the Council's approach to future transformation.

The next stage of Walsall's transformation will align with the strategic objectives and outcomes of the revised Council Plan and the medium-term financial outlook. By applying the lessons learned from previous initiatives, the Council aims to design and deliver future cross-cutting projects effectively.

The refreshed Transformation Programme is focussed on supporting continuous improvement in two of the key areas of demand and cost pressure for the Council – Adult Social Care and Childrens Services. Alongside the service led change activity is an overarching Digital Transformation Programme which will focus on delivery of new and innovative technologies to support service improvement and the overall Council Plan outcomes.

Effective governance arrangements have been crucial to the successful delivery of continuous improvement and benefits at Walsall. A robust governance structure will continue to support the strategic consideration and approval of business change activities, including business cases for new organisational structures and technology solutions that enable new ways of working.

The Transformation and Change team, including the Programme Management Office, is responsible for overseeing all change activities. They have established governance forums, chaired by the Chief Executive and S151, to provide oversight at key points during the implementation of changes. These governance structures will ensure that all changes are made with informed decision-making, aligned to Council Plan delivery and provides a framework for implementing service improvements.

The Council's Constitution sets out how the authority operates and refers to required procedures to be followed to ensure all activity and decision-making is transparent and accountable to the local community. This includes a scheme of delegation and contract and finance rules which set out the control environment in which the council operates. The Constitution was reviewed and updated in May 2023 and May 2024. Throughout 2024/25 the council has continued to utilise the live streaming of Committees.

The council has an established risk management framework, designed to identify, evaluate, manage and where possible, mitigate risks to the council in delivering its objectives. There is an ongoing programme of reporting and review of both corporate and operational risks, and this extends to an assessment of risks in financial planning and major projects and partnerships.

Audit Committee received reports on risk management including the Strategic Risk Register (SRR) at their September 2024 and February 2025 meetings. During the consideration of the SRR in September 2024 the Committee selected four risks they wish to consider in more detail as part of their workplan. The committee also received and considered the Integrated Assurance Mapping, a comprehensive review completed by ForvisMazars Risk Management Services.

Financial risks are assessed regularly and as part of the annual budget process and regular reporting of the financial position. A corporate financial risk assessment informs the medium term financial strategy and the level and appropriateness of general and other reserves.

The Emergency Planning Unit (EPU) assesses local risks and works with our partners at a regional and national level to inform emergency and business continuity planning. Failure to deliver key services in the event of significant business interruption, including services delivered by contractors and partners, is also a strategic risk.

In February 2025 Cabinet approved the Walsall Net Zero 2041 Strategy and Action Plan 2025-28. The Climate Task Force Group is the main form of accountability for progress on delivery of the Walsall Council Net Zero Action Plan. This Task Force Group meets quarterly and comprises of directors, service heads and senior managers from across the council. All activity is monitored as part of the management of strategic risks.

The council has a robust medium term financial framework and a rolling four year plan to support delivery of resource allocation in line with council priorities. This is regularly reviewed in light of ever-changing financial and economic conditions and pressures arising from demand led services.

The Director of Finance, Assurance and Procurement as S151 Officer was responsible during 2024/25 for the proper administration of the council's affairs, as required by Section 151 of the Local Government Act 1972.

The AGS is required to contain a statement on whether the authority's financial management arrangements conform to the governance requirements of the CIPFA *Statement on the Role of the Chief Financial Officer in Local Government (2016)*. The Statement sets out five principles which define the core activities and behaviours that belong to the role of the CFO and the organisational arrangements needed to support them. In assessing these five principles, the Authority complied with all of these during 2024/25.

The governance requirements in the Statement for principle 1 are that the CFO should be professionally qualified, report directly to the Chief Executive and be a member of the leadership team, with a status at least equivalent to other members. The Statement requires that if different

organisational arrangements are adopted the reasons should be explained publicly in the authority's Annual Governance Statement, together with how these deliver the same impact and review the scope of the CFO's other management responsibilities to ensure financial matters are not compromised. The current S151 Officer is the Director of Finance, Assurance and Procurement whose post reports to the Executive Director, Resources and Transformation. However, the Director sits on the leadership team as S151 Officer and has unfettered access to the Chief Executive in this aspect of his role. In assessing the five principles, the Authority is therefore considered to have broadly complied with the Statement for principle 1.

Arrangements for the provision of Internal Audit are contained within the Council's Constitution. The council, via its statutory S151 Officer, must ensure that there is an adequate and effective Internal Audit of accounting records and of its systems of internal control as required by the Accounts and Audit Regulations 2015.

Executive directors and accountable budget and asset owners are required to provide assurance via Internal Audit reports and where appropriate, to Audit Committee that agreed audit actions are being implemented, and where control weaknesses are identified, to put in place remedial action in a timely manner, and as agreed with audit.

The Audit Committee receives summary reports of audits receiving a 'Limited' or 'Unsatisfactory' assurance opinion and audit recommendations and actions, including a report on 'high' priority (fundamental) recommendations, and seeks to ensure that where control weaknesses are identified they are addressed. The Committee has a key function in respect of the system of internal control and its effectiveness and the work of the Committee includes the review of the Annual Governance Statement and its formal approval each year.

The council is investing in training and development of officers and members to ensure that they have the necessary support in ensuring that the council acts in accordance with its Constitution, policy, and procedures.

4. Review of Effectiveness

Walsall Council (via Audit Committee) has a statutory responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control.

This annual review of the effectiveness is informed by, and assurance obtained from key areas of the governance framework including:

- The annual work programme of the Audit Committee including receiving, considering and reviewing reports on the work of Internal and External Audit, including reports on internal controls, risk management, the External Auditor's Annual Report on value for money and the financial resilience of the council and the External Audit Opinion on the statement of accounts.
- Improvements recommended by Audit Committee on the framework for reporting such as the Risk Management Strategy, Strategic Risk Register, Local Code of Governance and Counter Fraud arrangements.
- A review of the AGS via key questions by Internal Audit during 2023/24 to assess the extent to which compliance with the framework has been met.
- Internal Audit's Annual Opinion Report.

- The annual responses from Audit Committee, the Monitoring Officer and Chief Finance Officer to External Audit in relation to management processes and arrangements and oversight of these.
- Findings of the External Auditor and other review agencies and inspectorates, and council actions to address these.
- Cabinet, corporate management team (CMT) and senior officers monitoring the effectiveness of the governance framework through receiving monitoring reports on performance and financial management and risk management, including progress against key objectives and measures and corrective action planning; the overall financial position; updates on performance in relation to management of key risks to the organisation; and receiving regular reports via Audit Committee on the internal control mechanisms in place and their effectiveness.
- The monitoring and regular review of the council's Constitution, Codes of Conduct, and committee, officer and member governance processes (delegations, finance and contract rules, etc).
- The work of the executive directors, directors, heads of service and managers within the authority who have responsibility for the development and maintenance of the governance environment.
- The council's assessment of its compliance with the CIPFA Code of Financial Management and action plan progress to address areas for improvement.
- Review and reporting of financial health indicators and financial procedures.
- Reports on performance and financial management and reporting and the review of work in relation to information governance, resilience planning and other sources of assurance.
- The Chief Executive and the Leader of the Council and elected members, via the Audit Committee, who formally consider and approve the AGS annually.

In respect of the system of internal control, a review of the following areas has been undertaken and reported to Audit Committee on 8 July 2025 as part of the annual review of effectiveness, to inform the overall opinion as to the effectiveness of the system of internal control:

- The work of the Audit Committee during 2024/25 included the following in its assurance role:
 - Reviewing at each meeting progress reports in relation to the Internal Audit plan, including receipt of 'Limited' assurance findings, and updates on High Priority recommendations.
 - Receiving quarterly key performance indicators on the operation of the Internal Audit contract.
 - Reviewing the Strategic Risk Register and receiving and considering assurances on specific strategic risks chosen by Committee members.
 - Approving accounting policies, oversight and approval of the 2023/24 Statement of Accounts and Annual Governance Statement, including approving the annual review of the effectiveness of the internal control environment.
 - Receipt of and review of all External Audit reports, including on value for money, audit risk assessment and the Auditors Annual Report.
 - Responding to the council's External Auditors requirement to obtain an understanding of management processes and the Audit Committee's oversight of the council's governance arrangements in relation to general enquiries of management; fraud risk assessment; the impact of laws and regulations; going concern considerations; related parties and accounting estimates.
 - Reviewing updates on Counter Fraud and Corruption arrangements and Response Plan progress.

- Receiving updates on implementing Tranche 2 of the Elections Act 2022, focusing on the internal controls and systems.
 - Reviewing revised Whistleblowing Policy and associated monitoring and reporting arrangements.
 - Receiving updates on the Redmond Review regarding Oversight of Local Audit and the Transparency of Local Authority Financial Reporting.
 - Review of its own effectiveness as an Audit Committee and reporting on this to Council.
- In respect of the 2024/25 financial year, the following Internal Audit Opinion has been given:

“On the basis of our audit work, our opinion on the framework of governance, risk management, and control is Moderate in its overall adequacy and effectiveness. Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

Whilst certain weaknesses and exceptions were highlighted by our audit work, none of our reviews concluded with unsatisfactory assurance. Of the 36 reviews for which an assurance opinion was provided, 11 provided substantial assurance, 17 moderate assurance and 8 limited assurance. We have raised 8 high priority recommendations, 92 medium priority recommendations and 54 low priority recommendations during the period. These matters have been discussed with management, to whom we have made several recommendations. All of these have been, or are in the process of being addressed, as detailed in our individual reports.

Our Follow up work confirmed that good progress has been made on implementing outstanding high priority recommendations. These will continue to be followed up as part of the follow up programme for 2025/26”.

- Progress in addressing governance issues and control weaknesses identified in the 2022/23 AGS and progress in addressing these.
- The work of Internal Audit to assess the extent to which compliance with the AGS framework has been met by the council.
- The work of Internal Audit and compliance with Public Sector Internal Audit Standards which came into effect on 1 April 2013.
- Regular reporting to and scrutiny by Audit Committee of Strategic Risks.
- The work of other regulatory Committees – Standards.
- The work of Inspectorates and the council’s response and actions plans to address findings.
- The work of External Audit.
- Financial and performance reporting, including in relation to financial and budgetary control, risk, information governance and data protection arrangements, and other supporting evidence.

Some control weaknesses were identified as a result of the work of the above evaluation and actions have been put in place to address the findings and follow ups will be undertaken, and feedback reported to the Committee as appropriate.

The Council, like many others, faces risks to delivery of its corporate objectives. These are reflected within the council’s Strategic Risk Register (SRR). There are 14 Strategic Risks, with the latest full SRR update reported to Audit Committee in February 2025. The SRR outlines the risk, controls in place, current and target risk score and further actions required to deliver the target risk score and

to manage the risks going forward. 10 of the 14 risks are assessed as 'high risk'. The Council will continue to manage risk in accordance with the agreed Risk Management Strategy and Directors Group will review both directorate and strategic risks and refer them to CMT for consideration, with updates on controls and scores presented to Audit Committee for review at least twice a year. Additionally, Audit Committee can select strategic risks for a detailed review to gain assurance about the control in place to mitigate the risk.

5. Significant Governance Issues

Officers who drafted this Annual Governance Statement, evaluated assurances and supporting evidence, have concluded that the effectiveness of the governance framework, in respect of the system of internal control is satisfactory overall.

There are no significant governance issues to report. Some internal control weaknesses have been identified, which were reported to Audit Committee throughout 2024/25 as they arose and actions are in place to address these.

Councillor M Bird
Leader of the Council
Date: 30 September 2025

Emma Bennett
Chief Executive
Date: 30 September 2025

Glossary

A

Academy School: State-funded schools in England which are directly funded by the Department for Education and independent of local authority control.

Accounts and Audit Regulations 2015: The current set of regulations which detail the accounts needed, how they should be published, the right of electors, and the conduct of the annual statutory audit.

Accounting period: The period covered by the accounts, normally twelve months commencing on 1 April. The end of the accounting period i.e., 31 March is the balance sheet date.

Accounting policies: Within the range of possible methods of accounting, a statement of the actual methods chosen locally and used to prepare these accounts.

Accruals basis: The method of including amounts in accounts to cover income or expenditure attributable to an accounting period but for which payment has not been received or made by the end of the accounting period. This is based on the concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

Amortisation: Loss in value of an intangible asset due to age or obsolescence.

Asset: Something of value which is measurable in monetary terms owned by the Council and is convertible to cash.

Asset Ceiling: Where a pension reserve is valued at a surplus, an asset ceiling adjustment is applied (IAS 19). The asset ceiling is the present value of future benefits to the Council, contained within the pension reserve surplus.

B

Balance Sheet: A statement of the recorded assets, liabilities and other balances at the end of an accounting period.

Balances: The reserves of the Council, both revenue and capital, which represent the accumulated surplus of income over expenditure on any of its funds.

BCF: Better Care Fund - a programme spanning both the NHS and local government which seeks to join-up health and care services, so that people can manage their own health and wellbeing and live independently in their communities for as long as possible.

Billing authority: Walsall Council is the billing authority responsible for the collection of Council tax and non-domestic rates. The Council tax includes amounts for precepting authorities – the West Midlands Fire and Rescue and Police Authorities.

BIA: Birmingham International Airport

Budget: A statement of the Council's expected level of service expressed as an amount of spending over a set period, usually one year.

Business Rates Retention Scheme: Scheme applicable from 1 April 2014 in relation to NDR.

C

Cabinet: The executive decision-making body of the Council made up of portfolio holding executive members.

Capital Adjustment Account: Financing of capital expenditure and statutory adjustments passes through this account.

Capital expenditure: Expenditure on the acquisition of a fixed asset or expenditure which adds to and not merely maintains the value of existing fixed assets.

Capital receipts: The proceeds from the sale of a fixed asset, or the repayment of an advance made by the Council.

Capitalised: Transferred from revenue to capital.

Carrying Amount: The balance held on the balance sheet as at the year-end date.

Cash and cash equivalents: This comprises cash in hand, cash overdrawn and short-term investments which are readily convertible into known amounts of cash.

Cash flow: Movement in money received and paid by the Council in the accounting period.

Cash flow statement: Statement showing the cash inflows and outflows during the year.

CCG: Clinical Commissioning Group

Charity: Trust created for advancement of education, promotion of public health and comfort, relief of poverty, furtherance of religion, or any other purpose regarded as charitable in law.

Chartered Institute of Public Finance and Accountancy (CIPFA): The professional body that oversees accounting practice within public bodies.

Chief financial officer (Section 151 Officer – Local Government Act 1972): Statutory officer responsible for managing the financial risks and financial planning of the Council.

CIPFA Code of Practice on Local Authority Accounting: The Statement of Recommended Practice applicable to preparing the accounts.

Collection Fund: A statutory account which billing authorities must maintain for the collection and distribution of amounts due in respect of Council tax and non-domestic rates (NDR).

Community assets: Assets that the Council intends to hold in perpetuity, have no determinable finite useful life and in addition may have restrictions on their disposal. Examples of community assets are playing fields and parks.

Community School: A type of state-funded maintained school in which the local authority employs the school's staff, is responsible for the school's admissions and owns the school's estate.

Comprehensive income and expenditure statement (CIES): This shows the Council's net expenditure on providing services during the year, based on proper accounting practices, prior to adjustments required for taxation purposes.

Comprehensive Spending Review (CSR): Review by central government to determine spending priorities for the following three years. This review determines the level of funding for local government.

Consolidated: Added together with adjustments to avoid double counting of income, expenditure or to avoid exaggeration, e.g., debtors, creditors because of trading between services within the Council which are reported on in the section on consolidated financial accounts.

Contingent assets: Potential assets at the balance sheet date which depend on the occurrence or non-occurrence of one or more uncertain future events. The assets should be included in the balance sheet where it is probable that a gain will be realised which can be estimated reasonably accurately at the time the accounts are prepared, otherwise, where the contingencies are likely to be material, the fact that they exist should be disclosed as a note to the accounts.

Contingent liabilities: Potential liabilities at the balance sheet date which depend on the occurrence or non-occurrence of one or more uncertain future events. The liabilities should be included in the balance sheet where it is probable that a loss will be incurred which can be estimated reasonably accurately at the time the accounts are prepared, otherwise, where the contingencies are likely to be material, the fact that they exist should be disclosed as a note to the accounts.

Council tax: A banded property tax which is levied on domestic properties throughout the country. The banding is based on estimated property values as at 1 April 1991. The level of tax is set annually by each local authority for the properties in its area.

Covid-19: Coronavirus Disease 2019, a novel coronavirus that has caused a global pandemic in 2020.

Creditors: Amounts owed by the Council for work done, goods received, or services rendered to the Council during the accounting period, but for which payment has not been made by the balance sheet date.

Curtailments: Costs incurred as part of pension costs for redundancy/efficiency retirements.

Current assets: Assets which are easily converted to cash e.g., stock and debtors.

Current liabilities: Liabilities which are easily converted to cash e.g., creditors.

D

Debtors: Amounts due to the Council which relate to the accounting period and have not been received by the balance sheet date.

Dedicated Schools Grant (DSG): Funding from central Government whose sole purpose is to fund the provision of an education service.

Deferred capital receipts: Amounts derived from the asset sales which will be received in instalments over a period of a year (e.g., mortgages on the sale of Council houses).

Depreciation: The loss in value of a tangible fixed asset due to age, wear and tear, deterioration or obsolescence.

Depreciated Replacement Cost (DRC): A valuation technique that is based on the current cost of reproduction or replacement of an asset less deductions for depreciation based on an assets current remaining life.

De-recognition: The reduction in asset values due to transferring ownership of assets.

DfE: Department for Education – responsible for Government policy and advice in connection with education and the social welfare of children and families.

Discounted Cash Flow (DCF): A method of estimating an investment's current value based on the discounting of projected future revenues and costs.

Diocese: An administrative territorial unit administered by a bishop i.e., Bishop of Lichfield.

E

Earmarked reserves: These reserves represent the monies set aside that can only be used for a specific usage or purpose.

Expenditure: Costs incurred by the Council for goods received, services rendered, or other value consumed during the accounting period, irrespective of whether any movement of cash has taken place.

Equity: Stocks and shares that represent an ownership interest in a company.

F

Fair Value: An estimate of the potential market price of an asset or liability.

Finance lease: A lease that transfers the risk and rewards of ownership of a fixed asset to the lessee. Such a transfer of risk and rewards may be presumed to occur if at the inception of the lease the present value of the minimum lease payments, including any initial payment, amount to substantially all the fair value of the leased asset.

Financial instrument: Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Fixed assets: Tangible assets which have value to the Council for more than one year, e.g., land, buildings, equipment.

Foundation School: A state-funded maintained school where the governing body has greater freedom in the running of the school than in community schools. Foundation schools were set up under the School Standards and Framework Act 1998.

G

General Fund: The main revenue account of the Council, which brings together all income and expenditure other than recorded in the Collection Fund.

Government support/grants: Assistance by Government and inter-Government agencies and similar bodies, whether local, national or international, in the form of cash or transfer of assets to an authority in return for past or future compliance with certain conditions relating to the activities of the Council.

H

Hardship Fund: A fund created to deliver financial support, including reduced Council tax bills, to economically vulnerable residents because of Covid-19

Historical cost: The actual cost of assets, goods or services, at the time of their acquisition.

Housing benefits: Financial assistance paid to tenants on a low income to help pay their rent and service charges.

I

ICB: Integrated Care Board

ICES: Integrated Community and Equipment Store

International Accounting Standard (IAS): Standards for the preparation and presentation of financial statements created by the International Accounting Standards Committee.

IFRIC: International financial reporting interpretations committee.

Impairment: Downward revaluation due to the consumption of economic benefits.

Income: Amounts due to the Council in respect of services performed, taxes levied or grants receivable during the accounting period, irrespective of whether any movement of cash has taken place.

Infrastructure assets: Fixed assets that are inalienable, expenditure on which is recoverable only by continued use of the asset created. Examples of infrastructure assets are highways and footpaths.

International financial reporting standard (IFRS): Accounting standards that have replaced SSAP and FRS from the 2010/11 financial year. All accounts from this period will be reported under these standards.

Inventories: Raw materials and consumable items which the Council has procured to use on a continuing basis and has not been used by the end of the accounting period.

Investment properties: Interests in land and/or buildings in respect of which construction work and development have been completed and which are held for their investment potential rather than for operational purposes, any rental income being negotiated at arm's length.

Investments: Items such as company shares, other securities and money deposited with financial institutions (other than bank current accounts).

ISB: Individual Schools Budget

L

Leasing: A method of acquiring the use of an asset by paying a rental for a specified period, rather than purchasing it outright.

Lenders Option/Borrowers Option: A form of loan that has option dates. These are dates where the lenders could change the interest rate. If this happens, the borrower then has the option of either continuing the loan or redeeming it in full without any penalty.

LEP: Local Enterprise Partnership

Levies: A charge from a public sector body towards the services they provide.

Liabilities: Amounts due to individuals or organisations which will have to be paid at some time in the future.

M

Maintained School: State-funded schools in England which are under local authority control and funded by the local authority using Dedicated School Grant provided by the Department for Education.

Minimum revenue provision (MRP): The minimum amount which must be charged to a Council's revenue accounts and set aside as a provision to repay external debt. It is calculated by applying a prescribed percentage of outstanding debt.

Movement in reserves statement: Statement that shows the movement in all the Council's reserves over the year and the movements required for taxation purposes.

MRF: Mixed recycling facility

N

Non-domestic rates (NDR): A tax levied on business properties, sometimes known as Business Rates.

Net book value: The amount at which fixed assets are included in the balance sheet, i.e., their historical cost or current value less the cumulative amounts provided by depreciation.

O

Operating lease: A lease where the risks and rewards of ownership of a fixed asset remain with the lessor. Such a lease will be for a fixed period which is significantly less than the useful economical life of the asset.

Operational assets: Fixed assets occupied, used or consumed by the Council in direct delivery of those services for which it has either statutory or discretionary responsibility.

P

PFI: Private Finance Initiative.

PPP: Public Private Partnership.

Precept: A levy determined by one authority which is collected on its behalf by another e.g., Walsall Council collects Police and Fire Authority precepts.

Precepting authority: An authority which raises finance through another authority.

Prior period adjustments: Material adjustments to the accounts of earlier years arising from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

Provisions: Amounts set aside in the accounts for liabilities or losses which are certain or highly likely to occur but where there is uncertainty as to the amounts involved or the dates on which they will arise.

Prudential Code: The current system on financial controls for capital financing introduced on 1 April 2004 that local authorities are required to operate by.

Public Works Loan Board (PWLB): A central Government agency which lends money to local authorities at lower rates than those generally available from the private sector. Local authorities can borrow a proportion of their requirements to finance capital expenditure from this source.

R

Replacement cost: Cost of replacement of an asset at the balance sheet date.

Reserves: Amounts set aside in the accounts to meet expenditure which the Council may decide to incur in future period, but not allocated to specific liabilities which are certain or highly likely to occur. Earmarked reserves are allocated to a specific purpose or area of spending. Unallocated reserves are often described as balances, and usually arise as unplanned surpluses of income over expenditure.

Revaluation: The increase or decrease in an asset's value following valuation by a suitably qualified person.

Revenue contributions: Method of financing capital expenditure directly from revenue.

Revenue expenditure funded from capital under statute (REFFCUS): This is expenditure that would normally be classed as revenue under normal accounting rules, but legislation has defined as being capital expenditure.

Revenue Support Grant: A central government grant paid to each local authority to help to finance its general expenditure. The distribution of the grant between authorities is intended to allow the provision of similar standards of service throughout the country for a similar Council tax levy.

Right of Use asset: An asset representing the council's right to use an asset that has been leased to the council. It appears on the balance sheet and is valued based on the lease payments and related costs.

Ring-fenced: This refers to the statutory requirement that certain accounts such as the Collection Fund must be maintained separately from the General Fund.

S

Section 106 (s106): Legally binding agreement between the Council and developers by which developers provide a contribution to assist in the redevelopment of a specified area and for a specified purpose.

T

Trust funds: Funds administered by the Council on behalf of minors and others for such purposes as prizes, charities and specific projects.

U

Usable and unusable reserves: Usable reserves are those which the Council can use to maintain its services whilst those that are unusable are not readily available resources and are held as balances.

V

Voluntary Aided School: A state-funded maintained school in England and Wales in which a foundation or trust contributes to building costs and has a substantial influence in the running of the school.

Voluntary Controlled School: A state-funded maintained school in England and Wales in which a foundation or trust has some formal influence in the running of the school.

Contact details and sources of information

Enquiries or comments about this publication should be made to:

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This statement is available from the Walsall Council website www.walsall.gov.uk. Paper copies are also available from the above address.

Further information about West Midlands Combined authority can be obtained at the following address:

Finance Director
West Midlands Combined Authority
16 Summer Lane
Birmingham
West Midlands B19 3SD
Website: <https://www.wmca.org.uk/>

Further information about the police and fire finances can be obtained at the following addresses:

Chief Finance Officer to the Police and Crime Commissioner
Lloyd House
Colmore Circus
Queensway
Birmingham B4 6NQ
Website: westmidlands-pcc.gov.uk

Finance Manager
West Midlands Fire Service Headquarters
99 Vauxhall Road
Birmingham
West Midlands B7 4HW
Website: www.wmfs.net

Information on the West Midlands Pension Fund can be obtained from the following address:

West Midlands Pension Fund

PO Box 3948
Wolverhampton WV1 1XP
Website: <http://www.wmpfonline.com>

Information about Birmingham International Airport can be obtained from the following address:

Birmingham Airport Holdings Ltd
Birmingham International Airport
Birmingham B26 3QJ
Website: www.bhx.co.uk