

# Financial information

## Introducing the 2024/25 budget

Walsall Council's council tax requirement for 2024/25 will be £152.032 million. This is the amount which is raised locally through council tax.

## Where does the council's income come from?

Walsall Council has budgeted to spend £777.288 million on council services for 2024/25. This expenditure will be funded from Central Government funding of £22.331 million, retention of locally collected business rates income £74.232 million and other grants, fees and charges of £513.330 million, one off collection fund surplus/use of reserves £15.363 million with the balance of £152.032 million funded from council tax. This is also known as the council tax requirement and equates to 19.56% of the council's gross expenditure. **Table 1** details this further.

TABLE 1	2023/24		2024/25	
	TOTAL £M	PER HEAD £	TOTAL £M	PER HEAD £
Walsall MBC's gross budget	721.685	2,540.25	777.288	2,716.79
Less income (specific grants/fees and charges etc.)	(485.169)	(1,707.74)	(513.330)	(1,794.20)
Add: Collection fund deficit / (surplus)	(1.218)	(4.29)	(0.349)	(1.22)
Less: Business rates income (local share)	(71.563)	(251.89)	(74.232)	(259.46)
Less: "Top Up" Government funding	(20.447)	(71.97)	(22.331)	(78.05)
<b>Sub Total</b>	<b>143.288</b>	<b>504.36</b>	<b>167.046</b>	<b>538.86</b>
Contribution to / (from) reserves	0.875	3.08	(15.014)	(52.47)
<b>Council tax requirement</b>	<b>144.163</b>	<b>507.44</b>	<b>152.032</b>	<b>531.39</b>
Add: WM Police and Crime Commissioner Precept	14.707	51.77	15.721	54.94
Add: WM Fire & Rescue Precept	5.302	18.66	5.485	19.17
<b>Total Demand on the Collection Fund</b>	<b>164.171</b>	<b>577.87</b>	<b>173.238</b>	<b>605.50</b>
Tax Base (expressed in terms of Band D properties)	72,608.66		72,932.78	
Council Tax (Band D)	<b>£2,261.05</b>		<b>£2,375.31</b>	
<b>Broken down as follows:</b>	<b>£</b>		<b>£</b>	
Walsall MBC spending	1,985.48		2,084.56	
WM Police and Crime Commissioners spending	202.55		215.55	
WM Fire & Rescue spending	73.02		75.20	
<b>TOTAL COUNCIL TAX FOR A BAND D PROPERTY</b>	<b>2,261.05</b>		<b>2,375.31</b>	

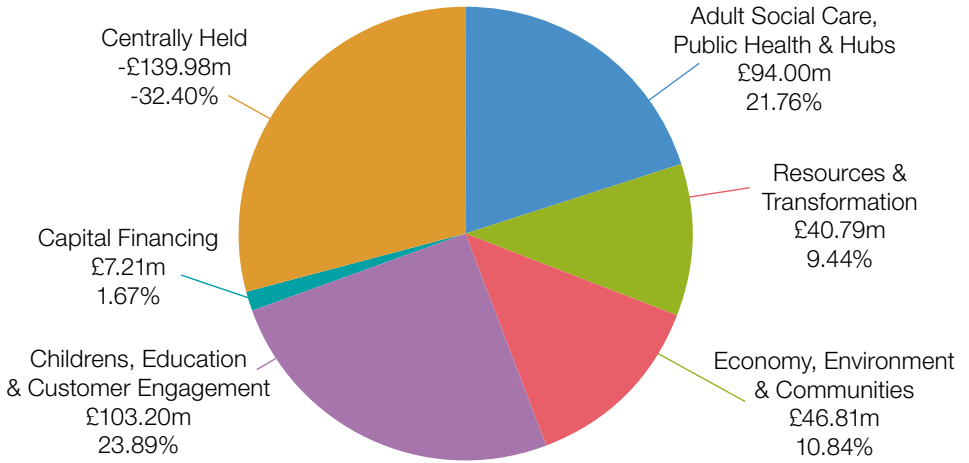
The council collects council tax on behalf of the West Midlands Fire and Rescue Authority and West Midlands Police and Crime Commissioner. These are both separate organisations over which the council has no control. West Midlands Fire and Rescue Authority have increased the average band D for 2024/25 by £2.18, which equates to 2.99%. West Midlands Police and Crime Commissioner have increased the average band D for 2024/25 by £13, which equates to 6.42%.



**Walsall Council**

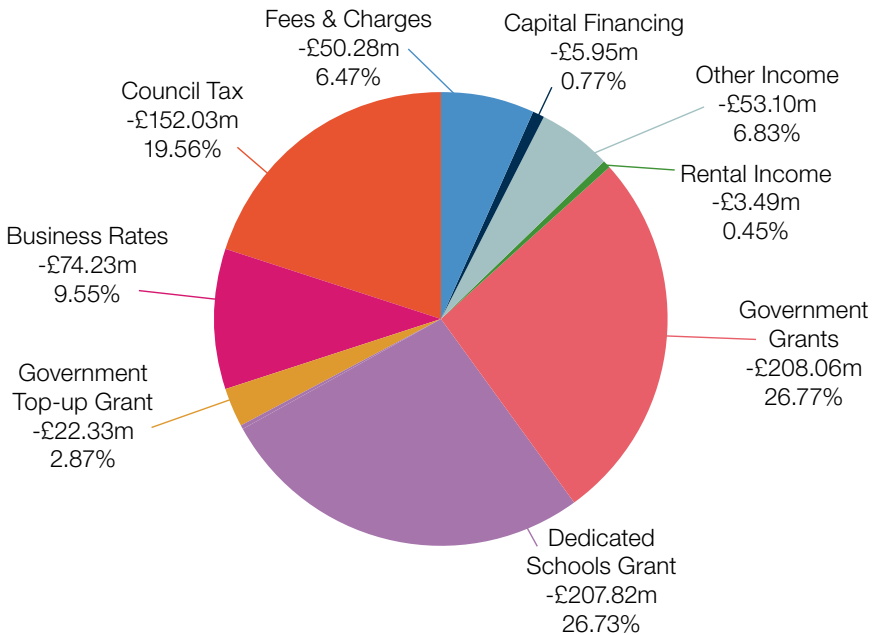
# How the council spends its budget

The pie chart shows planned net spend (council tax requirement) on services for 2024/25.



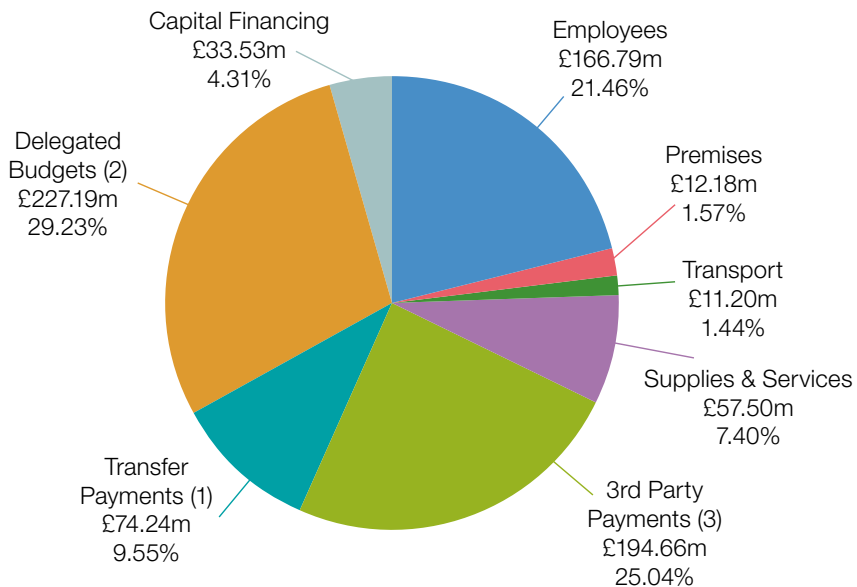
Central budgets – this includes borrowing and leasing costs for the authority, central government funding and our local share of business rates income. It includes £11,648m Levies (these are charges levied on the authority from the Environment Agency and West Midlands Combined Authority (transport levy)). The reason the central budget is showing as a minus is because most of it relates to central government income and business rates.

# Sources of income the council receives



The pie chart opposite shows the various income sources the council receives and the percentage which it represents of the overall income received. It can be seen from the above that c29% of income is collected locally via council tax and business rates and c56% comes from Government of which c27% is passported directly to schools.

## Categories of how the council spends its gross expenditure



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

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

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

Government grant funding forms part of the council's gross income. This alongside other grant income, locally retained business rates and fees and charges fund the majority (80%) of the authority's gross expenditure. Any remaining unfunded expenditure has to be sourced via council tax income. For 2024/25 Walsall has increased its council tax by 4.99% (inclusive of 2% Adult Social Care precept) in line with the referendum principles and will therefore not require a referendum to be held.

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

## **Statement concerning adult social care funding**

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

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

The local government settlement for 2024/25 confirmed a council tax referendum limit of up to 5% (4.99% maximum), inclusive of 2% for a social care precept.

## **Capital expenditure**

The council's capital programme will provide investment of £166.569 million in 2024/25. Of this £94.164 million will be funded from council resources and £72.405 million from external grants and contributions. External grants and contributions includes £4.783 million for which Walsall is the accountable body on behalf of the Black Country LEP and this funding will be spent over the Black Country/West Midlands Combined Authority region.

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

## **West Midlands Combined Authority**

The transport levy for 2024/25 will be £11.561m, a decrease of £54k over last year. Details of this budget are shown on a separate leaflet.

## **The Environment Agency**

The 2024/25 gross expenditure for the Environment Agency is £82.164 million. £2.313 million of this is funded by levies on the relevant district councils proportionate to their tax base. For Walsall this will be £87,443.

## **Number of employees**

The Council employs 5,489 full time equivalent employees (including those in schools and community associations).

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

**For further details in relation to Council Tax, please contact 0300 5552851 or via email at [counciltax@walsall.gov.uk](mailto:counciltax@walsall.gov.uk)**