

Draft Medium Term Financial Strategy

2025/26 to 2029/30

Sandwell Metropolitan Borough Council



Finance Directorate

Autumn 2024

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Introduction

The Medium-Term Financial Strategy (MTFS) represents the Council's approach to resourcing the Council Plan 2024 to 2027. The MTFS extends through to 2030 to ensure the approach is presented as a set of sustainable proposals in the medium term.

The Council must set a balanced annual budget. To achieve this requirement, all financial proposals must be robust. This means they are not only financially sound but are also subject to adequate engagement, scrutiny and approval. Officers of the Council will implement the financial strategies once approved by the elected members.

To achieve a balanced budget the Council must ensure income is sufficient to match forecast expenditure. Financial pressures come from demand for services, complexity of local needs and increases in costs driven by inflation and interest rates on borrowing. Such pressures can be made affordable through service efficiencies that decrease costs, or initiatives that reduce demand, alongside increases in income from local taxation or direct charges to services.

The financial outlook for public services, including local government, is challenging. This means Councillors throughout England are having to make difficult decisions that can often impact on the day-to-day services provided to residents. It is important that the Council maintains statutory services and protects vulnerable residents as a priority.

This MTFS outlines financial proposals that can provide priority services in a sustainable way. But to achieve this it also includes proposals that will impact on services and increase the financial contribution required from local residents. All the proposals are detailed within this report and consultation is planned to seek views from the Council's stakeholders. Feedback from the consultation process will assist the Council in making decisions on its financial plans.

The Council is establishing a track record of strong financial management. Overspending is being mitigated promptly and the current spending controls will continue. There will also be ongoing transformation activity such as automation of processes and achieving best value from the Council's assets.

Managing the risk of financial failure is essential. Several Councils in England have been subject to intervention when financial plans have become unachievable. The Sandwell Council MTFS includes financial proposals that also retain adequate reserves to deal with potential risks.

Alex Thompson
Executive Director Finance and Transformation (Section 151 Officer)

October 2024

The Medium Term Financial Strategy and Plan - Form and Purpose

1. The purpose of the Medium Term Financial Strategy (MTFS) is to set out the approaches that will be used by the Council to gather, organise and deploy financial resources to achieve the priorities of the Council Plan.
2. The draft Medium Term Financial Plan (MTFP) contains the latest assumptions and financial limits based on the constraints of local government funding. These will be updated on a regular basis. This report reflects the impact of updated financial assumptions since the 2024/25 MTFP that was published in February 2024. There is an explanation of these changes at Annex 3. The draft MTFP outlines why there is a funding gap and provides detail on the proposals to close that gap. All of the proposals put forward to balance the budget for 2025/26 are set out in Annex 4.

Strategic Goals

3. The MTFS has the following strategic goals:
 - a. To provide a framework within which the Council can achieve a series of balanced budgets in the medium term to support the Council Plan and demonstrate continuous sustainable improvement.
 - b. To enable successive budgets to be balanced using a set of guiding principles that are commonly adopted across the Local Government Sector and to apply these rigorously; and
 - c. To provide a budget and risk structure within which the Council Plan can be completed to meet the needs of stakeholders.

Key Points of Briefing

4. The draft MTFP has been subject to extensive and detailed review. This has identified a requirement to address a budget deficit of £19.796m in 2025/26. The proposals in this report are assumed to result in a balanced position for 2025/26 if they are all implemented in full.
5. The requirement for net budget reductions has changed in the course of monitoring the 2024/25 financial year budgets. This reflects the usual and expected refinement and testing of initial planning assumptions and in-year performance and emerging risks. The movement between the forecast budget deficit for 2025/26, as presented in February 2024, and the revised forecast budget deficit, as at October 2024, is shown in Annex 3.
6. It is important to state that the estimates in this report will be subject to ongoing review. Reviews, including reflections on consultation feedback, will influence the final budget proposal to be presented to Full Council in February 2025. The economy, management of risks and government announcements are all factors that can impact on funding available to support councils.
7. New financial pressures and the adjustment of original assumptions are subject to a robust challenge process. Only pressures that are considered unavoidable are included within the MTFP.

8. In accordance with the MTFP model, it is clear that the Council must select ongoing efficiencies amounting to £19.796m to balance the 2025/26 budget.
9. Budget variations required to balance the budget reflect a blend of:
 - a. Efficiencies based on improved processes and implementing best practice.
 - b. Adjustments to service levels including suspension or cessation of previous service levels or changes to criteria to access the service.
 - c. Transformational changes where outcomes will be achieved in a different to the current service offer.
 - d. Price increases to users of relevant services that reduce the requirement to subsidise of such services from Council Tax income.
10. The Council has taken steps to achieve a transformational approach to providing a balanced budget. A transformation programme to implement Oracle Fusion, a corporate Enterprise Resource Planning (ERP) system, is nearing completion. In addition, a Transformation Strategy has been prepared, and a Corporate Transformation Board has been established to guide and control the use of transformational approaches. Transformation will develop better value for service users and enhance the focus on the Councils' customers.
11. The Council has commenced a resident engagement exercise through the Summer and Autumn of 2024 and this, together with the Budget Consultation being launched through this report, will assist with the Council's approach to meeting its responsibilities to set a balanced budget for 2025/26. The efficiency proposals to be consulted on of £19.796m are detailed in Annex 4.
12. A timetable for the 2025/26 budget process is provided at Annex 1. In line with the highest standards of transparent governance, this timetable includes specific challenge and review on 21st and 23rd January 2025 by the Council's Overview & Scrutiny function through the Budget & Corporate Scrutiny Management Board.
13. The MTFP will be further updated prior to subsequent meetings of Cabinet and Full Council in the course of this financial year.

Guiding Principles

14. In February 2024, the Council adopted a set of guiding principles ('The Principles'). The principles were based on sound management and professional practice and have assisted with the development of the proposals for the 2025/26 budget. Looking ahead, the Council will continue to assess its approach to sound financial management. This will involve assessment and reporting against the standards of the CIPFA Financial Management Code.

Financial Challenges: Governance & Decision Making

15. A full budget timetable is provided at Annex 1 to this report.
16. In summary, the following arrangements apply for decision making to set the 2025/26 budget during February 2025.
 - a. Consultation and engagement with stakeholders will take place throughout the Autumn of 2024 to provide insight and feedback to the financial proposals identified to date.

- b. The Budget & Corporate Scrutiny Management Board will hold Budget Enquiry and Review meetings to consider the draft budget proposals on 21st and 23rd January 2025.
- b. Cabinet will receive the recommendations from the Budget & Corporate Scrutiny Management Board at its meeting on 12 February 2025; and
- c. Full Council will consider the setting of the 2025/26 budget on 25 February 2025 following a decision of Cabinet to recommend the draft budget to Full Council.

Consultation & Engagement

17. The views of Sandwell's residents, businesses, communities and any other stakeholders are integral to the development of a MTFS that reflects the priorities of the Borough. A two phased approach to engagement and consultation has been devised to support the development of the 2025/26 budget and the MTFP. This has been designed to align to the Council's Consultation Principles:
 - a. Consultation lies at the heart of effective public policy development and service to the public. It should be a first thought and not an afterthought.
 - b. Consultation should never be used to communicate decisions already taken, and the outcome of consultation should never be pre-determined.
 - c. Consultation should be inclusive. Whenever possible, it should involve all stakeholders, including children and young people, who can contribute to or are affected by the outcome of the consultation.
18. The consultation will commence from 16th October 2024 and will close on 18th November. It will involve consultation with residents, businesses and communities. There will be a face-to-face representative survey with residents, with follow-up focus groups, a series of bespoke meetings with stakeholder groups and an online survey open to all residents and stakeholders. Views will be analysed and fed into the decision-making process and the results of consultation will be posted on the Council's consultation hub (Citizenspace).
19. The approach will be to seek views on the range of options which will feed into the Council decision making process. Where options impact on staff, direct engagement and formal consultation with affected staff and trade unions will be conducted as appropriate.
20. The timing of this consultation period is scheduled to feed into the meetings of Cabinet and Full Council in February 2025 that will be asked to take decisions on the budget for 2025/26.
21. The Council will comply with its obligations under statute in all respects in undertaking these activities. The Section 151 Officer will use evidence of consultation to support the determination of the robustness of the financial proposals.

Equality Impact Assessments

22. Where efficiency proposals relate to a change of approach to service delivery in 2025/26, service leads will be required to complete an Equality Impact Assessment screening

assessment for each proposal to determine whether a full Equality Impact Assessment is required. The Equality Impact Assessment enables Service Leads to fully understand the implications of removal, reduction, or a change in services currently provided. This is undertaken in parallel to the consultation process.

23. Many budget variations for 2025/26 can be achieved through reduction in budgets that are no longer required to provide services or through increasing income targets. These are effectively just revised forecasts of net expenditure based on the current service offer. Such proposals do not require a full Equality Impact Assessment.
24. The outcome of the Equality Impact Assessments, alongside the findings of the consultation process, will be assessed and used to prepare final recommendations that are presented to Cabinet in February for approval. The Section 151 Officer will use evidence within such assessment to support the determination of the robustness of the financial proposals.

The National Financial Background

25. The National economy is affected by international economic events, not least the impact of wars, ongoing issues with international supply chains and the long-lasting impact of the Covid-19 pandemic. Such issues have led to high levels of inflation in energy, food and other services, products and commodities. To counter these increases in costs, the UK has also seen increasing interest rates. These economic factors both impact on the Council's financial standing. High inflation causes price rises in the Council's day-to-day activities and interest rate increases cause higher costs on the debt incurred from previous capital spending on infrastructure and regeneration projects. The recent inflationary pressure has not been seen in the UK economy since the very high levels experienced during the late 1970s and early 1980s. CPI has returned to levels close to the target rate of 2.0% but the increases in costs during the period of high inflation are now a permanent feature of the prices paid for items and services.
26. In recent years, local government has received a much higher proportion of funding from local taxation and charges to users than from national taxation. The UK Government has articulated a position where it must improve the balance between income and expenditure in public services. This is a challenging outlook compared to the levels of support afforded to communities and businesses through and following the pandemic and energy crisis.
27. The result is that much of the financial pressure must be managed at a local level. The Council's regional partners are equally affected. This means that the Council must respond by ensuring that changes to the direct costs of providing services are affordable based on access to locally sourced income. Large scale reviews of budgets across the local government sector will continue. Some local authorities are severely affected by such financial issues and have declared that their forecast expenditure could not be met by their forecast resources. Sandwell MBC is not in this position but must take positive decisions now to mitigate any risk of this happening in the future.

General Budget Planning Assumptions

28. The following paragraphs set out a suite of headline planning assumptions which inform the construction of the MTFP:

Council Tax

29. As a response to the inflationary pressures in the economy the Government, in the Local Government Finance Settlement 2024/25, set the referendum threshold for Council Tax increases to an overall total of 2.99% and an additional Adult Social Care Precept of 2% for upper tier councils such as Sandwell MBC. Annual increases at this level were also built into the Chancellor's budget. The MTFP therefore assumes that these limits will remain for 2025/26. The Council Tax income included within the draft MTFP allows for an increase of 2.99% for core council tax plus an additional 2% increase for Adult Social Care. It may be the case that the additional 2% is not identified as specific to Adult Social Care but current legislation suggests it will be.
30. The level of Council Tax is a decision for Full Council in each year. The fact that the Chancellor's budget highlights annual 4.99% increases points to a clear assumption that Councils are required to make such increases to afford local services. Sandwell MBC should not take an alternative approach to that of maximising potential increases. Any lower assumptions could imperil the Council's ability to sustain statutory services at a reasonable level.

National Non-Domestic Rates (NNDR)

31. The Government has for some years been considering reform of the NNDR system amid concerns from the business sector that the rate imposes an unwarranted burden on the commercial sector. But no firm proposals have been brought forward to date, so the MTFP uses the existing methodology to forecast the yield in the medium term with no new growth assumed.
32. In addition, for Sandwell, the Devolution Deal negotiated between the West Midlands Combined Authority and Government from 2024/25 envisages maintenance of the existing NNDR arrangements in the West Midlands to which the Council presently belongs. These arrangements are expected to be to the advantage of the Council from the inception of the Devolution Deal.
33. The establishment of the Sandwell Levelling Up Zone through the Devolution Deal is a unique opportunity to take full advantage of the benefits created by the completion of the Wednesbury to Brierly Hill Metro Extension. The designation of a Growth Zone will allow the retention of business rates growth on selected sites within the Metro corridor and reinvestment in regeneration and economic growth.

Housing Revenue Account

34. The Housing Revenue Account manages all of the financial activity associated with providing a Council owned housing stock of approximately 28,000 dwellings. This is provided for social housing needs. 91% of the cost of managing the Housing Revenue Account is funded from the rental income it receives from these properties, with the residual amount funded from other contributions and charges levied for services and facilities.
35. To maintain an appropriate level of funding to deliver this service, which does not receive central government support, the setting of rents is governed by a Government Guideline Policy which allows for rents to be increased by CPI+1% each year (using the September CPI value each year for the forthcoming year).
36. At the time of writing this report, September CPI was not available with the August data reporting CPI to be 2.2%.

37. The estimated budget for 2025/26 included in the last MTFS also indicated that efficiencies would be required of £3.7m to achieve a balanced HRA budget, and work is ongoing to identify those efficiencies.
38. Annex 12 of the MTFS will be updated for the February 2025 Cabinet and Council meetings, to incorporate the outcomes of the review of the HRA revenue budget and capital programme proposals.

The Capital Programme

39. The Capital Programme relates to creating new assets or extending the life of existing assets. It is frequently related to large scale one-off expenditure that is funded from government grants, borrowing or other contributions such as those from developers. Services are undertaking a detailed review of the Capital Programme agreed by Council in February 2024. The overall level of funding required to meet service priorities will be considered in line with the Capital Planning Principles (see below). The affordability of the programme will be presented for consideration and approval as part of the final budget report presented to Scrutiny, Cabinet and Council in early 2025.

The Capital Planning Principles

40. The following *Capital Planning Principles* will continue to be used in forming the Capital Programme which will be presented to Full Council for approval. Proposals that do not fall within these 'Capital Principles' should not be included within the Capital Programme for the General Fund or the Housing Revenue Account:
- a. Items of programming that relate to essential health and safety works and deliver compliance to the regulations within in the Council's property estate.
 - b. Items of programming that have a measurable beneficial impact on the carbon footprint of the Council and the Borough and which have affordable cost implications.
 - c. Essential investment in Information & Communications Technology (both hardware and software) to ensure that the Council has fit for purpose and secure tools and infrastructure to support operations generally and transformational programmes where there are suitable business cases to support such investment.
 - d. Items where - following provision of external grant support (principally from Government, Government Agencies or the West Midlands Combined Authority) - specific resources are provided to the Council by to complete or partially complete certain specified schemes that support the Council's objectives or wider regional ambitions such that match funding is required. Such match funding must be affordable to the Council and decisions made must demonstrate the Council's duty to achieve VFM in the decisions made.
 - e. Any schemes that can be shown to be wholly funded from external resources, such as Government Grants or external contributions, without implying additional cost burdens for the Council.
 - f. Where proposals are estimated to return a measurable revenue budget reduction; for example, leasing of the Council's commercial property portfolio which may

require modest upfront capital investment and which then return a beneficial income stream to the revenue budget.

- g. Schemes for which there may be a perception of compelling need but where such schemes are wholly dependent on Council funding. In these cases, a rigorous business case must be prepared which demonstrates that additional cost pressures can be offset by alternative efficiencies or removal of capital programming. This approach will ensure that the Council seeks to enhance the approaches already in play in forming the Council's Capital Programme in the years ahead.
41. Details on the General Fund capital programme will be presented within the final report to Cabinet and Council in February 2025 at Annex 11. As at February 2024, the programme was considered to cost £103.55m in 2025/26. The annual cost of servicing new and existing debt is assumed to be £22.1m. Any proposed changes to these amounts will be subject to due diligence of the business case including identification of new funding streams to ensure that the programme remains affordable.
42. The Council's General Fund debt service costs reflect interest costs on the debt portfolio but also amounts set aside for repayment of principal amounts of historic borrowing to fund the capital programme. In 2024/25, the forecast figure of £20m is c. 6% of the Council's net budget. The fact that this percentage is relatively modest compared with similar authorities is a significant factor in the budget shortfall for Sandwell MBC being lower compared with such authorities. A key factor in assessing affordability of funding future capital programme proposals through prudential borrowing will be ensuring that the percentage of debt costs compared to net budget remains at acceptable levels for the period of the MTFS.
43. Alongside the detailed programme, the key capital strategies will be reviewed and presented in February 2025 and will be included at Annex 13 and 14.

Reserves

44. The Council has reduced its reliance on the use of reserves to support service delivery. This approach ensures the Council holds sufficient resources should it face the prospect of having to manage strategic risks at some future point. The 2025/26 draft MTFP does not include the draw down of reserves to fund day-to-day spending. This allows reserves to be retained to manage financial risks and emergencies. Some reserves are set aside for a named purpose, however, and these will be used for the named purpose when appropriate.

Fees & Charges

45. The Council's range of fees and charges are proposed to be updated using a figure of 2% which is the Government target for inflation. Some charges are specified directly by the Government, however, and in other cases there may be other relevant constraints. In several cases, charges are proposed to increase beyond a 2% adjustment factor to ensure that there is full cost recovery for delivery of the service. A full list of fees and charges will be included within the final MTFS document due to be presented in the new calendar year.

The Finance Settlement 2025/26: Key Assumptions

46. The Provisional Local Government Finance Settlement for 2025/26 is expected in late December 2024 and will become final in late January or early February 2025. For the purposes of this MTFs update, a number of assumptions have been made.

47. The key assumptions are:

- a. New Homes Bonus - Government has been considering reform or phasing out of New Homes Bonus for some years but it remained in 2024/25. There is no commitment for it to continue and there were no legacy payments remaining for historic amounts. Therefore for the 2025/26 draft budget and for the period of the MTFs, no grant has been assumed.
- b. Services Grant - For 2024/25, the grant awarded was £0.648m, reduced from £3.9m in the prior year. Due to this significant reduction in 2024/25, a prudent assumption has been made that no grant will be received in 2025/26.
- c. Council Tax - an increase of core Council tax of 2.99% has been included, in line with the Council Tax Referendum Principles for 2024/25.
- d. Council Tax - Adult Social Care Precept – The Council Tax Referendum Principles for 2024/25 continued with the provision of a 2% increase for Adult Social Care. The MTFP for 2025/26 continues with the assumption of this remaining for 2025/26 as the cost of social care within the sector remains a significant cost pressure to Councils. The impact of an equivalent Adult Social Care Precept is included within the proposals subject to consultation.
- e. Collection fund for Council Tax and Business Rates - No allowance is made for a surplus or deficit. The estimated closing balances on the respective Collection Fund amounts will be calculated later in the financial year and included in a future iteration of the MTFP.
- f. The Business Rates Retention Arrangements - no changes to the existing arrangements are expected. The Council remains an authority with increased business rates retention arrangements (thereby forgoing Revenue Support Grant) as a member of the West Midlands Devolution Deal negotiated by the WMCA.
- g. Social Care Grants – In 2024/25 there were increases locally and nationally with the Social Care Grant increasing to £42.8m for Sandwell MBC, being an increase of £7.0m (nationally allocation of £4.5bn being a £692m increase); the Adult Social Care Discharge Fund increasing by £2.1m to £5.4m (national increase of £200m to take total allocation to £500m); and the Adult Social Care Market Sustainability Improvement Fund increasing by £3.8m resulting in Sandwell's grant being £8.1m for 2024/25 (the national allocation was £1.05bn). No new funding is currently assumed for 2025/26, but it is assumed that all of these grants will continue at current values.

Budget Efficiencies

48. The Council has assembled a list of opportunities for net budget reductions, in order to mitigate the current forecast net budget deficit of £19.796m in 2025/26, and will be undertaking consultation and engagement on these. Full details of these proposals are included in Annex 4.

Delivery of Efficiencies in 2024/25

49. Efficiencies approved and included within the base budget for 2024/25 are regularly reviewed and reported to the Council's Strategic Leadership Team and to Cabinet. At present, the Council is monitoring the delivery of £14.357m ongoing budget efficiencies required in 2024/25. The table below provides a breakdown of the £14.357m total.

Description of Efficiencies	£000
New efficiencies agreed within Budget Report presented to Council on 20 th February 2024	11,935
2023/24 efficiencies not delivered	534
2023/24 efficiencies achieved on a one-off basis	1,889
Total Ongoing Efficiencies Required in 2024/25	14,357

50. As at Quarter 1, forecast delivery of the required efficiencies by directorate was as follows:

	£000	£000	£000	£000	£000
Directorate	Has Been Delivered on an Ongoing Basis	Likely to be Delivered on an Ongoing Basis by Year End	Will Not be Delivered In Year	Delivered In Year on a One-Off Basis Only	Total
Assistant Chief Executive	135	39	310	0	484
People - Adult Social Care	3,054	1,345	0	0	4,399
People - Children & Education	1,299	805	0	0	2,104
People - Public Health	64	0	0	0	64
Place - Environment	877	1,382	551	0	2,811
Place - Housing	168	183	0	0	351
Place - Regeneration & Growth	1,546	427	0	922	2,895
Finance & Transformation	538	511	200	0	1,250
Total	7,681	4,693	1,061	922	14,357
% Delivery	54%	33%	7%	6%	100%

51. The above analysis shows that the majority of efficiency targets will be achieved during the year, with a small proportion being delivered on a one-off basis. There remains a risk that budget growth will be required to offset any plans that are not deliverable in the medium term. The continual review of the delivery of efficiencies assists in building a robust and prudent MTFP.

Flexible Use of Capital Receipts

52. The Council may wish to make use of the facility - if offered by Government - to use capital receipts to fund revenue expenditure incurred to further business change and transformation. A draft plan will be produced and included within the final MTFP document at Annex 6 to this report, following which the plan will be shared with the Ministry of Housing, Communities and Local Government (MHCLG) as required.

Property

53. The holding and management of property assets is a significant activity for the Council and work is proceeding on a number of strands to form a transformation programme in this service area. The principal components are considered to be:

- a. Operation of the Corporate Landlord model which is expected to drive efficiency by unified management of all property assets within the Council; this to release revenue efficiencies in the cost of management of these assets and also to reduce significantly the property holding costs in the revenue budget.
- b. The Council holds some 4,000 property assets including buildings and parcels of land of various kinds. This includes a number of properties for which the Council has no economic use and which drive a cost stream including maintenance, security, business rates and others which can only be removed through the disposal of the surplus property. This is complicit with the need to deliver cost reduction targets already agreed by Council in setting the budget for the current financial year (2024/25) and the forthcoming year.

The Medium Term Financial Plan (MTFP)

54. The Council's current MTFP is shown in Table 1. The MTFP is the product of (i) detailed technical analysis (ii) detailed discussion with the directorates and their respective management teams regarding the pressures identified and (iii) further engagement to assist the directorates to identify efficiencies to bridge the budget shortfall identified.

55. The full detail of the MTFP is shown in Annex 3 along with the movements between the original figures from February 2024 and those now presented.

Table 1: Medium Term Financial Plan 2025/26 to 2029/30

	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m
Opening Forecast Net Expenditure	333.008	362.090	378.942	397.139	414.492
Reversal of one-off efficiency in 2024/25 for vacancy management	7.000	-	-	-	-
Forecast increase in salary budgets (pay inflation)	4.581	4.718	4.860	5.006	5.134
Budget pressures and growth on service delivery	22.014	12.637	12.237	11.747	10.775
Technical adjustments (e.g. treasury management and change in use of reserves)	(4.513)	(0.503)	1.100	0.600	-
Revised Forecast Net Expenditure	362.090	378.942	397.139	414.492	430.401
Forecast funding available (Council Tax, Business Rates and other Government Grants)	(342.294)	(353.614)	(363.825)	(374.993)	(386.606)
Forecast Net Budget Deficit Before Efficiencies	19.796	25.328	33.314	39.499	43.795
Efficiencies subject to budget consultation	(19.796)	(22.312)	(22.923)	(23.540)	(24.163)

Revised Forecast Budget (Surplus)/Deficit	-	3.016	10.391	15.959	19.632
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Governance & Reporting

56. The MTFP will continue to be updated on a rolling basis from this point forward and will be reported periodically to Cabinet, Scrutiny Management Boards and Full Council. This will enable stakeholders to receive regular briefing on observed changes to the forecasts that are from time to time observed.

Risk Assessment & Management

57. The Council has a need to develop structured arrangements to manage risk with regard to strategic and operational dimensions of its operations. The principal risks associated with maintenance of the Council's services within the financial constraints identified in the MTFS and associated MTFP together with headline mitigations are set out in Annex 5.

Summary

58. This document has set out the MTFS and the embedded MTFP and the acceptance and application of these documents can be summarised as follows:
- a. The Council will continue to apply its guiding principles which will assist in shaping responses to future revenue budget shortfalls.
 - b. The Council is aware of the challenging financial pressures that bear on the 2025/26 budget and beyond and has understood the issues that this presents.
 - c. The Council has taken effective action to identify a portfolio of potential budget efficiencies opportunities in the order of £19.796m which may be considered in order to balance the 2025/26 budget shortfall.
 - d. It will be key across the years of the MTFS for the Council to maximise funding streams including Council Tax and this should continue – as in previous years – to inform planning assumptions in the MTFS and MTFP.
 - e. MTFP planning assumptions will continue to be refined and reviewed on an ongoing basis; accordingly, the figures contained in this report will continue to change in the medium term as the forecasts are updated.

Budget Timetable

Timeline	Activity
16 October – 18 November	Consultation period on the draft budget
30 October	Autumn Budget 2024 – the Chancellor’s budget announcement
3 December	Cabinet Away Day – consider the results of consultation
W/C 16 December	Provisional Finance Settlement received
21 and 23 January 2025	Budget and Corporate Scrutiny Management Board – scrutiny of budget proposals
12 February 2025	Budget Report presented to Cabinet
25 February 2025	Final Budget and Council Tax Report presented to Council

Results of the Consultation Exercise

Results of the exercise will be presented in a future report.

General Fund MTFP Change Log

Table 1: Movement in Forecast Budget Shortfall for 2025/26 since February 2024

Description of Shortfall/Movement	2025/26 £m
Forecast budget shortfall as at February 2024	12.500
Removal of 2025/26 efficiency proposals assumed within forecast shortfall as at February 2024 (proposals to be reconsidered through consultation)	5.989
Revised opening budget shortfall	18.489
Reduction in assumed pay inflation costs	(1.174)
Revisions to assumptions on contract price inflation and existing budget pressures	(3.233)
New budget pressures identified	7.477
Additional business rates income	(1.764)
Revised forecast budget shortfall as at October 2024 (Before efficiency proposals)	19.796

Table 2: Analysis of Movement in Net Budget and Funding

	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m
Opening net expenditure	333.008	362.090	378.942	397.139	414.492
Reversal of one-off vacancy management efficiency in 2024/25	7.000	-	-	-	-
Forecast increase in salary budgets (pay inflation)	4.581	4.718	4.860	5.006	5.134
Budget pressures and growth on service delivery:					
• Increase in social care costs	10.923	10.285	9.790	9.152	8.117
• Increase in key contract costs	2.870	1.616	1.652	1.689	1.727
• Correction of legacy income budgets	2.743	-	-	-	-
• Increase cost of Housing Benefit costs not recoverable through subsidy (including homelessness)	1.800	-	-	-	-
• Inflationary impact on cost of premises and utilities and supplied and services	1.360	0.136	0.181	0.279	0.290
• Reset of Public Health grant contributions towards other council services	0.922	-	-	-	-
• Increased cost of core ICT systems	0.670	-	-	-	-
• Increase in Transport Levy	0.417	0.430	0.443	0.455	0.470
• Inflationary increases in contributions to Combined Authority	0.170	0.170	0.171	0.172	0.171
• Expected reduction in future income generation	0.139	-	-	-	-
Technical adjustments (e.g. treasury management and change in use of reserves)	(4.513)	(0.503)	1.100	0.600	-
Revised net expenditure	362.090	378.942	397.139	414.492	430.401

Forecast funding (Council Tax, Business Rates and other Government Grants)	(342.294)	(353.614)	(363.825)	(374.993)	(386.606)
Net deficit before efficiencies	19.796	25.328	33.314	39.499	43.795
Efficiencies subject to budget consultation	(19.796)	(22.312)	(22.923)	(23.540)	(24.163)
Forecast (Surplus)/ Deficit	-	3.016	10.391	15.959	19.632

Analysis of Budget Efficiencies for Consultation

As part of consideration of efficiency proposals to be included within the public consultation document, it is important to understand that the Council is also including growth within key service areas to ensure that statutory obligations can be achieved.

The table below demonstrates the current forecast budget movement for each service directorate and the efficiency proposals put forward.

Table 1: Forecast Budget Growth and Efficiency Proposals per Directorate

	Current Budget 2024/25 £m	2025/26 Forecast Movement in Budget Before Efficiency Proposals £m	Efficiency Proposals £m	Forecast Net Budget 2025/26 £m
People - Adult Social Care	84.899	11.154	(3.681)	92.372
People - Children's Services	104.355	6.045	(2.971)	107.429
People - Public Health	-	-	-	-
Place - Environment	73.477	7.511	(3.674)	77.314
Place - Housing Services	4.304	1.817	(0.579)	5.542
Place - Regeneration & Growth	10.311	1.585	(1.146)	10.750
Finance and Transformation	26.328	3.133	(1.406)	28.055
Assistant Chief Executive	11.130	1.633	(0.901)	11.862
Corporate Management	0.469	0.011	-	0.480
Centrally-Held Corporate Budgets	17.735	(3.806)	(0.980)	12.949
Net Expenditure	333.008	29.083	(15.338)	346.753
Funding Available	(333.008)	(9.287)	(4.458)	(346.753)
Budget Gap	-	19.796	(19.796)	-

To ensure transparency of efficiency proposals to be considered by the Cabinet and the public within the consultation, the follow table provides a list of the efficiency proposals to be considered.

Table 2: List of efficiency proposals to be included in Public Consultation

Directorate and Proposal Description	Council Plan Priority	Cabinet Portfolio	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/20 £m
People – Adult Social Care							
Reduction in high-cost services through Transformation Programme	Healthy in Sandwell	Adult Social Care, Health and Wellbeing	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)
Changes to the funding of Free Nursing Care placements	Healthy in Sandwell	Adult Social Care, Health and Wellbeing	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)
Additional income through the Better Care Fund	Healthy in Sandwell	Adult Social Care, Health and Wellbeing	(0.595)	(0.595)	(0.595)	(0.595)	(0.595)
Charging review for Day Care Services	Healthy in Sandwell	Adult Social Care, Health and Wellbeing	(0.336)	(0.336)	(0.336)	(0.336)	(0.336)
Assistive technology and reablement	Healthy in Sandwell	Adult Social Care, Health and Wellbeing	(0.300)	(0.300)	(0.300)	(0.300)	(0.300)
Review in-house Day Services	Healthy in Sandwell	Adult Social Care, Health and Wellbeing	(0.250)	(0.250)	(0.250)	(0.250)	(0.250)
Review the in-house Day Services Transport in conjunction with Children's Services	Healthy in Sandwell	Adult Social Care, Health and Wellbeing	(0.105)	(0.105)	(0.105)	(0.105)	(0.105)
Development of the Shared Lives Service	Healthy in Sandwell	Adult Social Care, Health and Wellbeing	(0.076)	(0.076)	(0.076)	(0.076)	(0.076)
Additional Income for Meals on Wheels Service	Healthy in Sandwell	Adult Social Care, Health and Wellbeing	(0.019)	(0.019)	(0.019)	(0.019)	(0.019)
Total: People – Adult Social Care			(3.681)	(3.681)	(3.681)	(3.681)	(3.681)
People – Children’s Services:							
Targeted price reductions in commissioned services	Growing Up in Sandwell	Children and Families	(1.625)	(1.625)	(1.625)	(1.625)	(1.625)

Directorate and Proposal Description	Council Plan Priority	Cabinet Portfolio	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/20 £m
Impact of SEND3 procurement for SEND Transport	Growing Up in Sandwell	Children and Families	(0.350)	(0.350)	(0.350)	(0.350)	(0.350)
Reduction in contract price for the provision of children's centres	Growing Up in Sandwell	Children and Families	(0.324)	(0.324)	(0.324)	(0.324)	(0.324)
Development of a traded service model for Education Psychology Service	Growing Up in Sandwell	Children and Families	(0.190)	(0.190)	(0.190)	(0.190)	(0.190)
Review of agency staff budgets	Growing Up in Sandwell	Children and Families	(0.139)	(0.139)	(0.139)	(0.139)	(0.139)
Restructure of ILS service to utilise funding from the Dedicated Schools Grant (DSG)	Growing Up in Sandwell	Children and Families	(0.086)	(0.086)	(0.086)	(0.086)	(0.086)
Review of the Youth Service	Growing Up in Sandwell	Children and Families	(0.103)	(0.103)	(0.103)	(0.103)	(0.103)
Reduction in legal fees	Growing Up in Sandwell	Children and Families	(0.050)	(0.050)	(0.050)	(0.050)	(0.050)
Deletion of vacant posts within Planning Performance & Business Services	Growing Up in Sandwell	Children and Families	(0.030)	(0.030)	(0.030)	(0.030)	(0.030)
Removal of the Early Years Sustainability Fund	Growing Up in Sandwell	Children and Families	(0.023)	(0.023)	(0.023)	(0.023)	(0.023)
Additional Workplace Nursery income	Growing Up in Sandwell	Children and Families	(0.021)	(0.021)	(0.021)	(0.021)	(0.021)
Additional income from the Dedicated Schools Grant (DSG)	Growing Up in Sandwell	Children and Families	(0.015)	(0.015)	(0.015)	(0.015)	(0.015)
Employment & Skills	Growing Up in Sandwell	Children and Families	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)
Additional income from schools	Growing Up in Sandwell	Children and Families	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)
Total: People – Children’s Services			(2.971)	(2.971)	(2.971)	(2.971)	(2.971)
Place - Environment							

Directorate and Proposal Description	Council Plan Priority	Cabinet Portfolio	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/20 £m
Switching refuse and recycling to fortnightly collections (alternate weeks) and to separate recycling into 2 different receptacles to reduce disposal costs	Living in Sandwell	Environment and Highways	(2.600)	(3.895)	(3.895)	(3.895)	(3.895)
Leisure Facilities - Review of facilities provision	Living in Sandwell	Neighbourhoods and Communities	(0.536)	(0.536)	(0.536)	(0.536)	(0.536)
Fee increase for green waste service	Living in Sandwell	Environment and Highways	(0.200)	(0.400)	(0.400)	(0.400)	(0.400)
Extension of the Library+ model	Living in Sandwell	Neighbourhoods and Communities	(0.103)	(0.103)	(0.103)	(0.103)	(0.103)
Highways Street Lighting – Energy savings through street lighting controls	Living in Sandwell	Environment and Highways	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)
Transfer support for our UTC system from Wolverhampton to Transport for West Midlands	Living in Sandwell	Environment and Highways	(0.060)	(0.060)	(0.060)	(0.060)	(0.060)
Review of Pest Control delivery model	Living in Sandwell	Environment and Highways	(0.050)	(0.050)	(0.050)	(0.050)	(0.050)
Review of emergency duty rotas in Resilience	Living in Sandwell	Neighbourhoods and Communities	(0.025)	(0.025)	(0.025)	(0.025)	(0.025)
Highways - Christmas Lights	Living in Sandwell	Environment and Highways	-	(0.050)	(0.050)	(0.050)	(0.050)
Total: Place - Environment			(3.674)	(5.219)	(5.219)	(5.219)	(5.219)
Place – Housing Services							
Purchase of properties for use as temporary accommodation to reduce subsidy loss	Living in Sandwell	Housing and Sustainable Development	(0.250)	(0.250)	(0.250)	(0.250)	(0.250)
Review and restructure of Housing Services	Living in Sandwell	Housing and Sustainable Development	(0.329)	(0.329)	(0.329)	(0.329)	(0.329)

Directorate and Proposal Description	Council Plan Priority	Cabinet Portfolio	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/20 £m
Total: Place – Housing Services			(0.579)	(0.579)	(0.579)	(0.579)	(0.579)
Place – Regeneration & Growth							
Asset Rationalisation Strategy	Thriving Economy in Sandwell	Regeneration and Infrastructure	(0.840)	(0.840)	(0.840)	(0.840)	(0.840)
Increase planning fees for householder planning applications	Thriving Economy in Sandwell	Regeneration and Infrastructure	(0.160)	(0.160)	(0.160)	(0.160)	(0.160)
Deletion of vacant posts within Planning Services	Thriving Economy in Sandwell	Regeneration and Infrastructure	(0.087)	(0.087)	(0.087)	(0.087)	(0.087)
Increase building control fees up to 10%	Thriving Economy in Sandwell	Regeneration and Infrastructure	(0.040)	(0.040)	(0.040)	(0.040)	(0.040)
Increase in planning pre-application charges	Thriving Economy in Sandwell	Regeneration and Infrastructure	(0.016)	(0.016)	(0.016)	(0.016)	(0.016)
Introduce charges for demolition applications	Thriving Economy in Sandwell	Regeneration and Infrastructure	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)
Total: Place – Regeneration & Growth			(1.146)	(1.146)	(1.146)	(1.146)	(1.146)
Finance and Transformation:							
Enhanced Aged Debt Collection - Recruit 5 x Debt Officers to focus on collecting old debt	One Council One Team	Finance and Resources	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)
Reduction in Contract Specifications - Review supplier contracts to remove under-used contracts and unused contractual terms for negotiated price reductions	One Council One Team	Finance and Resources	(0.250)	(0.250)	(0.250)	(0.250)	(0.250)
10% Increase in fees and charges for Registration Services	Living in Sandwell	Neighbourhoods and Communities	(0.188)	(0.188)	(0.188)	(0.188)	(0.188)

Directorate and Proposal Description	Council Plan Priority	Cabinet Portfolio	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/20 £m
Registration Services - 7% increase in fees and charges and inclusion of additional Met Hospital (Registrations)	Living in Sandwell	Neighbourhoods and Communities	(0.127)	(0.127)	(0.127)	(0.127)	(0.127)
Review of Appointeeship Unit	One Council One Team	Finance and Resources	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)
Review of cash handling and bank charges	One Council One Team	Finance and Resources	(0.048)	(0.095)	(0.095)	(0.095)	(0.095)
Recover costs from schools and external partners	One Council One Team	Finance and Resources	(0.040)	(0.040)	(0.040)	(0.040)	(0.040)
Increase out of hours surcharge from 15% to 30% for burial and cremation services at weekends to include new fee for ashes scattering and exhumation	Living in Sandwell	Neighbourhoods and Communities	(0.036)	(0.036)	(0.036)	(0.036)	(0.036)
Enhance cost recovery through service level agreements	One Council One Team	Finance and Resources	(0.030)	(0.030)	(0.030)	(0.030)	(0.030)
Early Payment Discount - Introduce an offer of prompt payments in exchange for up to 2% price reductions on invoices payable by the Council	One Council One Team	Finance and Resources	(0.025)	(0.025)	(0.025)	(0.025)	(0.025)
Charge for Appointeeship services, and the introduction of a one-off winding up fee in the Appointeeship Unit	One Council One Team	Finance and Resources	(0.025)	(0.025)	(0.025)	(0.025)	(0.025)
Reduce subscription costs	One Council One Team	Finance and Resources	(0.020)	(0.020)	(0.020)	(0.020)	(0.020)
Deletion of vacant post from within Bereavement Services	Living in Sandwell	Neighbourhoods and Communities	(0.017)	(0.017)	(0.017)	(0.017)	(0.017)
Total: Finance and Transformation			(1.406)	(1.453)	(1.453)	(1.453)	(1.453)

Directorate and Proposal Description	Council Plan Priority	Cabinet Portfolio	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/20 £m
Assistant Chief Executive:							
Deletion of vacant posts within Democratic Services	One Council One Team	Leader	(0.106)	(0.106)	(0.106)	(0.106)	(0.106)
Review and restructure of EDI	One Council One Team	Leader	(0.285)	(0.285)	(0.285)	(0.285)	(0.285)
Review of contact centre model	One Council One Team	Finance and Resources	(0.200)	(0.313)	(0.313)	(0.313)	(0.313)
Review of Investigations service	One Council One Team	Finance and Resources	(0.117)	(0.117)	(0.117)	(0.117)	(0.117)
HR operating model review	One Council One Team	Finance and Resources	(0.070)	(0.276)	(0.276)	(0.276)	(0.276)
Review into learning and development offer	One Council One Team	Finance and Resources	(0.030)	(0.030)	(0.030)	(0.030)	(0.030)
Reduction in Member Development budget	One Council One Team	Leader	(0.028)	(0.028)	(0.028)	(0.028)	(0.028)
Cessation of applicant tracking and case management systems due to Fusion Go Live	One Council One Team	Finance and Resources	(0.026)	(0.026)	(0.026)	(0.026)	(0.026)
Professional qualifications sponsorship	One Council One Team	Finance and Resources	(0.019)	(0.019)	(0.019)	(0.019)	(0.019)
Human Resources - Bring health and safety training in-house / e-learning	One Council One Team	Finance and Resources	(0.010)	(0.010)	(0.010)	(0.010)	(0.010)
Corporate Learning efficiencies	One Council One Team	Finance and Resources	(0.010)	(0.010)	(0.010)	(0.010)	(0.010)
Total: Assistant Chief Executive			(0.901)	(1.220)	(1.220)	(1.220)	(1.220)
Council Wide							
Smarter Support Services – Efficiencies from the implementation of Oracle Fusion <i>(will be allocated to directorates as calculations are completed)</i>	One Council One Team	Finance and Resources	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)

Directorate and Proposal Description	Council Plan Priority	Cabinet Portfolio	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/20 £m
Maximising income and commercial opportunities - Fees and charges annual increase <i>(will be allocated to directorates as calculations are completed)</i>	One Council One Team	Finance and Resources	(0.480)	(0.960)	(1.440)	(1.920)	(2.400)
Total: Council Wide			(0.980)	(1.460)	(1.940)	(2.420)	(2.900)
Funding:							
Adopt Adult Social Care Precept – implement additional 2% increase in council tax subject to Government regulation	One Council One Team	Finance and Resources	(2.758)	(2.883)	(3.014)	(3.150)	(3.294)
Council Tax Reduction Scheme	One Council One Team	Finance and Resources	(1.700)	(1.700)	(1.700)	(1.700)	(1.700)
Total: Funding			(4.458)	(4.583)	(4.714)	(4.850)	(4.994)

Risks to the MTFP and Mitigations

Risks	Headline Mitigation
Failure to constrain expenditure within relevant budget headings.	The Council monitors its budget on a monthly basis, with regular updates to Leadership Team and Cabinet, advising on key variances. Budget managers are asked to offer mitigations to any adverse variances.
Failure to prepare for balancing the 2025/26 budget shortfall.	The preparation of this MTFS and MTFP at this point in the financial year, the generation of options to offset the deficit, the planned launch of consultation and engagement and the formulation of the budget timetable.
Failure to maintain reserve balances.	There are presently no plans to employ reserves to balance the 2025/26 budget shortfall.
Failure to deliver efficiencies.	The Council reviews efficiencies embedded in the base budget for 2024/25 and reports monthly on progress to highlight risks.
Failure to arrange cover for expected cost increases	The Council has set in place a process whereby the MTFP is updated regularly, and the thoroughness of review and analysis will be enhanced on each occasion as additional information becomes available and insight gained. In addition, the Council will adjust its fees and charges annually in the future to ensure that the net cost of services is moderated, where it is equitable to do.
Inability to fund the Capital Programme arising from continued rises in interest rates and higher cost of borrowing.	Capital Principles to set down a clear and affordable framework for capital planning are embedded in the MTFS. Further work to develop an affordable Capital Programme will be undertaken for inclusion in the draft budget to be received by Full Council in February 2025.

Flexible Use of Capital Receipts

Background

1. In April 2022 Government issued a direction on the flexible use of capital receipts where Councils could treat as capital expenditure, expenditure which is incurred by the council that is designed to generate ongoing revenue efficiencies in the delivery of public services and/ or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public service delivery partners.
2. Prior to 2023/24 the Council had not looked to apply this direction, however with an increased number of transformational projects commencing and being further developed to improve service delivery and efficiency, the Council submitted proposals to MHCLG with the intention to make use of this flexibility, subject to their being sufficient capital receipt resources to fund such expenditure.
3. Whilst the last direction issued in April 2022 was only for financial years commencing 2022/23-2024/25, the MTFS will assume that this flexibility will continue into future years and therefore the Council will continue to plan for such application.
4. The strategy will be updated as further information is made available, either through specific direction or through the Provisional Local Government Finance Settlement due in December 2024.

Fees and Charges Schedule

The schedule of Fees and Charges will be updated as the budget process progresses.

General Fund Budget Summary

The General Fund budget summary, detailing final proposals by directorate, will be presented within the Budget Report in February 2025.

**COUNCIL TAX SUMMARY
2025/26**

Band	Sandwell Metropolitan Borough Council			Fire	Police	Total
	Core Council Tax	Adult Social Care Precept	Sandwell Total			
A	<i>to be determined</i>			<i>to be determined</i>	<i>to be determined</i>	<i>to be determined</i>
B						
C						
D						
E						
F						
G						
H						
<p>NOTE: The Council Tax levels shown above apply to properties with 2 or more adults. Single person households will pay 25% less than this.</p>						
2025/26 Increase						
2025/26	Band D Amount	to be determined				
2024/25	Band D Amount	£1,737.08		£75.20	£215.55	£2,027.83
2025/26	£ Increase					
2025/26	% Increase					

Schools Funding / Dedicated Schools Grant

Full information will be provided within the final MTFS document submitted to Cabinet in February 2025.

The base assumption within the MTFP is that there will be no impact on the General Fund from schools funding and the use of DSG.

General Fund Capital Programme

The General Fund Capital Programme is currently being reviewed by project managers.

New project submissions received for 2025/26 will be reviewed by Finance to ensure affordability. Implications on the General Fund revenue budget, namely through additional borrowing costs, will be established to ensure that borrowing costs for the Programme overall remain within the revenue budget available for such costs.

The final proposed Capital Programme will be included in detail in the Budget Report in February 2025.

**Housing Revenue Account
Revenue Budget and Capital Programme**

Formulation of both the capital and revenue budgets are being progressed and these will be presented in a future report.

Capital Strategy

Introduction

1. Sandwell Metropolitan Borough Council's Capital Strategy considers the Council's long-term aspirations, corporate objectives, affordability criteria and available resources to guide capital investment decisions over the next five years. Capital expenditure relates to long-term investment in assets and differs completely from the Council's revenue budget as set out in the Council's Medium Term Financial Strategy. The Council receives capital grants and external funding contributions, and can raise capital finances either by selling property and other assets that are no longer needed, or by borrowing funds to support long-term investment in assets.
2. The Prudential Code for Capital Finance in local authorities sets out the requirement that authorities should have in place a Capital Strategy and governance procedures for the setting and revising of the strategy and prudential indicators.
3. The Section 151 Officer is responsible for ensuring that all matters required to be taken into account are reported to the decision-making body for consideration and for establishing procedures to monitor performance. Under the Prudential Code guide, a Capital Strategy needs to demonstrate that the local authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability.
4. The Capital Strategy will be fully revised and reported in February 2025.

Capital Financing Strategy

Introduction

1. The Capital Financing Strategy is intended to give a high-level overview of how capital expenditure within the Council's General Fund and Housing Revenue Account capital programmes are funded.
2. The strategy will be reviewed after capital bid proposals have been considered for deliverability, affordability and delivery towards Council Plan objectives.

Investment Strategy

Introduction

1. Sandwell Metropolitan Borough Council's Investment Strategy sits alongside the Capital Strategy and the Capital Financing Strategy and considers the non-treasury investments (industrial units and various commercial premises) that the Council holds in addition to cash investments which are discussed as part of the Treasury Management Strategy.
2. In general, non-treasury investments are held (a) to enhance and facilitate regeneration policy initiatives and (b) where this is so to ensure assets are held on a VFM basis such that suitable inflow of commercial rentals are received for the letting of such premises.
3. The strategy will be reviewed alongside the strategies referred to above.

Treasury Management Strategy

Introduction

1. The Treasury Management Strategy provides a comprehensive view of the Council's treasury position and its projected Treasury and Prudential Indicators having taken into consideration the proposed capital programmes for both the General Fund and the Housing Revenue Account.
2. An updated treasury strategy including revisions to all treasury and prudential indicators will be undertaken to incorporate the capital programme proposals and an update to the investment and debt strategy. The February 2025 report will provide the complete report for consideration.

Revenues and Benefits Policy Framework

This Annex will include all Revenues and Benefits policy which requires annual review and approval.

This will be provided in February 2025, with a summary of changes since the previous update.

Delegations

SUB SCHEME OF DELEGATION – EXECUTIVE DIRECTOR FOR FINANCE AND TRANSFORMATION

The February 2025 report to Cabinet and Council will include a list of limits and delegations by the Section 151 Officer to other key officers, including financial limits for noting and endorsement.