

**26 NOVEMBER 2018**

**Draft Revenue Budget and Capital Programme 2018/19 – 2021/22**

**Ward(s)** All

**Portfolios:** All - specifically in relation to Resources and Transformation -  
Cllr M Bird – Leader of the Council  
Cllr A Andrew – Regeneration (Money Home Job)  
Cllr G Perry – Community Leisure and Culture (Partnerships)  
Cllr A Harris – Personnel and Business Support

**Executive Summary:**

The draft revenue budget and capital programme, as reported to Cabinet on 24 October 2018, includes the latest medium term financial outlook for the four year period from 2018/19 to 2021/22.

This report provides the budget report in full, plus the respective extracts of the draft budget proposals under the remit of the Scrutiny Overview Committee in relation to the Resources and Transformation directorate for consideration.

Feedback from this Committee on the draft proposals will be reported back to Cabinet on 12 December 2018. This will inform the final draft budget to be considered by Cabinet on 13 February 2019 to be recommended to Council on 28 February 2019. Any changes to Cabinet's December draft revenue budget proposals as a result of equality impact assessments and consultation will be fed into the final budget report.

**Reason for scrutiny:**

To enable consultation of the draft budget proposals, including those services within the remit of this Committee, and for any feedback to be reported back to Cabinet on 12 December 2018.

**Recommendations:**

**That:**

1. The Committee is recommended to consider the draft revenue budget and capital programme as reported to Cabinet on 24 October 2018.
2. The Committee is recommended to consider the draft revenue budget and capital programme attached that relate to the remit of this committee
3. The Committee are asked to note that consultation will be undertaken on all new 2019/20 policy savings shown in appendix 3a (and all council options referred to in Appendix 5a of the budget report), and that feedback will be presented to Cabinet on 12 December 2018.

**Background papers:**

Various financial working papers.

### **Resource and legal considerations:**

Cabinet on 24 October 2018 were presented with a list of proposed revenue savings and investments for consultation, and indicative revenue cash limits.

The full Cabinet report is attached, and can also be accessed at the following link: [Draft Budget](#)

The report to Cabinet referred to a policy saving of £109k for the 'review of contracts within Toxic Trio for perpetrator and counselling services' at Appendix 5a, and that a policy paper was not required due to a separate cabinet decision. A policy paper has since been produced, which can be located on the consultation page of the internet : [Policy Paper - Toxic Trio](#)

### Savings proposals

A number of the 2019/20 savings were part of the budget plan approved by Council in February 2018, the majority of which were operational (implemented through officer delegations). These are approved and are included within the directorate cash limit at **appendix 1** - these savings total £6.06m for services within the remit of this committee. This includes £5.00m for Walsall Proud Programme, which will be allocated to services once confirmed.

There is a further £0.17m of policy savings requiring consultation (**appendix 3a** – those with a direct impact on services and which require an Executive decision to proceed) and £0.17m of new operational savings (**appendix 3b** – savings which officers have delegations to implement).

As a council, we anticipate a further £13.94m of savings required in 2020/21 and £7.56m in 2021/22. It is expected that the refreshed transformation programme (Walsall Proud Programme as reported to Cabinet on 24 October 2018) will incorporate an organisational wide programme of change activity, with the breadth and pace of this being such that this will contribute significantly to delivering the required savings in 2020/21 and 2021/22.

### Investment / cost pressures

A number of investment / cost pressures have been identified and included in the draft budget proposals. Those relating to the remit of this Committee are shown as **Appendix 2**.

### Capital Programme

Capital programme resources are limited. The financing for capital investment is heavily reliant on grants and other funding received from the Government, with the remaining flexibility through capital receipts and borrowing.

Despite the above difficulties, significant investment is planned and funded over the four years 2018/19 to 2021/22. The council is able to fund existing commitments and

has, through prioritisation of bids and resources and sound treasury management, been able to support new investment into key services, and areas of capital investment need.

The capital programme is presented in two parts:

- Council funded programme - funded by the council's own resources, through borrowing, revenue contributions and receipts. **Appendix 4** summarises those schemes relating to the remit of this committee.
- Externally funded programme - funded from capital grants and third party contributions. **Appendix 5** summarises those schemes relating to the remit of this committee.

### **Council Corporate Plan Priorities:**

In order to meet the council's purpose and vision, the council will be focussing its' energy over the next four years on the following key priorities, recognising that it must do so with decreased and decreasing resources and concentrating efforts on those most in need:

- **Economic growth** for all people, communities and businesses.
- **People** have increased independence, improved health and can positively contribute to their communities.
- **Internal Focus** – all council services are efficient and effective.
- **Children** have the best possible start and are safe from harm, happy, healthy and learning well.
- **Communities** are prospering and resilient with all housing needs met in safe and healthy places that build a strong sense of belonging and cohesion.

### **Citizen impact:**

Details of potential impact are reviewed alongside the equality impact assessment of each savings proposal.

### **Environmental impact:**

The impact on the environment is considered in all savings proposals.

### **Performance management:**

Financial performance is considered alongside service performance. Managers are required to deliver their services within budget and there are comprehensive arrangements in place to monitor and manage this.

### **Reducing inequalities:**

Service managers have regard to equalities delivering services and identifying saving options. Equality impact assessments are being undertaken as required prior to final recommendations being made to Council on the budget, along with any mitigating actions. The majority of the savings are based upon the review of needs and how that need is met within statutory requirements.

### **Consultation:**

Consultation is an integral part of the corporate budget process and ongoing arrangements are in hand to consult with a wide range of stakeholders as appropriate (i.e. councillors, residents, service users, business sector, voluntary and community organisations, etc.). This is outlined in the budget report to Cabinet on 24 October 2018.

Feedback from consultation, including those from this committee, will be presented to Cabinet for their consideration. Any changes to the draft budget proposals, including arising from consultation, will be reported to a future meeting of the Committee.

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## APPENDIX 1

### Indicative revenue cash limit for 2018/19 to 2021/22

The following table summarises the indicative cash limit for services within the remit of the Scrutiny Overview Committee.

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
<b>Opening cash limit</b>		34,640,498	28,247,355	26,330,872
<b>Base budget adjustments</b> including funding changes *		(116,045)	145,000	(250,000)
<b>Investment / Pressures</b> – see <b>Appendix 2</b>		116,804	106,016	96,228
<b>Approved Savings</b>				
Reduction in grant to Citizens Advice Bureau		(45,966)		
Review and restructure in Finance and Financial Administration		(65,003)		
Review of structure / additional income within Legal Services		(62,433)		
Restructure of Human Resources		(102,197)		
Efficiency savings across Procurement		(17,340)		
Walsall Proud Programme (to be allocated)		(5,000,000)		
Review & efficiencies across Money Home Job		(764,000)		
<b>Less Policy Savings proposals</b> for consultation – see <b>Appendix 3a</b>		(168,168)		
<b>Less New Operational savings proposals</b> – see <b>Appendix 3b</b>		(168,795)		
<b>Less Provisional Savings requirement</b>			(2,167,499)	(1,176,181)
<b>Resources and Transformation draft cash limit</b>	<b>34,640,498</b>	<b>28,247,355</b>	<b>26,330,872</b>	<b>25,000,919</b>

*\*Relates to additional income in Money Home Job in 2019/20, transformation management in 2020/21 and removal of local elections for one year only in 2021/21.*

*There is an additional corporate saving of £311k in relation to Treasury Management.*

## APPENDIX 2

### Summary of Revenue Investments / Cost Pressures 2019/20 – 2020/21

Detail of investment / cost pressure	2019/20 £	2020/21 £	2021/22 £
Reduction in Council Tax administration grant	48,195	43,376	39,038
Reduction in Housing Benefit administration grant	68,609	62,640	57,190
<b>Total Revenue Investments – scrutiny remit only</b>	<b>116,804</b>	<b>106,016</b>	<b>96,228</b>

## APPENDIX 3a

**Policy Proposals 2019/20 for Consultation**

<b>Detail of Policy Saving / Efficiency</b>	<b>2019/20 £</b>
Increase council tax premium charge - Government are introducing increased council tax premium charges on empty properties. For 2019/20 it will increase to 100% premium on all properties empty for 2 years or more. The current premium is 50%	(168,168)
<b>Total Policy Proposals – scrutiny remit only</b>	<b>(168,168)</b>

## APPENDIX 3b

**New Operational Proposals 2019/20**

<b>Detail of Operational Saving / Efficiency</b>	<b>2019/20 £</b>
Additional income from realignment of budgets and full cost recovery of traded services across the directorate	(168,795)
<b>Total New Operational Savings – scrutiny remit only</b>	<b>(168,795)</b>

**Draft Capital Programme 2019/20 to 2021/22**  
**– Council Funded Schemes**

Detail of investment / cost pressure	2019/20 £	2020/21 £	2021/22 £
<b><i>Rolling Programme Schemes</i></b>			
Aids and Adaptations, Preventative Adaptations and Supporting Independence – Assists households to maintain greater independence and live in their homes for longer through providing low cost adaptations, and assistance with community projects to enable residents to access local services. Supports the statutory requirement to provide disabled facility grants (lifts, hoists)	400,000	400,000	400,000
Health through warmth – continuation of project up to March 2020 – to help provide a safety net for those who can't access other funding sources, available as a loan charged on the property that is repaid upon sale or relevant transfer of their home.	75,000	75,000	75,000
<b><i>Prior Year Approvals</i></b>			
Procurement of system for Human Resources management and Oracle financials	1,400,000	0	0
Maintaining a safe and secure environment - review of ICT infrastructure including moving data centre and some services to Cloud	2,949,000	0	0
Service improvement for single mobile device management solution	51,000	0	0
<b><i>New Bids</i></b>			
Willenhall Lane Travellers site pumping station pump replacement	0	44,400	0
ICT telephony – current Cisco Call Manager system will not be supported from May 2021, thus a proposal to move to a microsoft solution supporting the 'cloud' migration programme	0	500,000	0
ICT windows server 2008 upgrade – current system will not be supported from 2020, thus a proposal to move operating systems to support the 'cloud' migration programme	200,000	0	0
CCTV – replacement of 5 cameras and 3 backup – to help with number plate recognition for fly tipping and other anti-social behaviour	150,000	0	0
Civic Centre window replacement – improving energy efficiency	0	0	1,307,025
Civic Centre plumbing – non heating related	0	0	66,600
Council House smoke and heat detection, fire alarm	333,000	0	0
Council House general heating	50,000	1,085,000	1,085,000
Council House fire doors / fire seals	0	55,500	0
Print and design upgraded lighting and ventilation system	24,000	0	0
Council Chamber and Committee Room Audio Visual system, seating refurbishment and Council House reception	200,000	0	0
<b>Total Council Funded Programme for scrutiny remit</b>	<b>5,832,000</b>	<b>2,159,900</b>	<b>2,933,625</b>

**Draft Capital Programme 2019/20 to 2021/22**  
**– External Funded Schemes**

<b>Detail of investment / cost pressure</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>2021/22 £</b>
Integrated Community Equipment Store – specialised equipment as part of BCF (grant)	750,000	750,000	750,000
Disabled Facilities Grant – this project directly supports the council's statutory requirement to provide disabled facility grants (DFGs). The project has a direct positive impact on the number and subsequent varied costs to the council from the increasing level of demand for home adaptations (grant).	2,145,000	2,145,000	2,145,000
<b>Total External Funded Programme for scrutiny remit</b>	<b>2,895,000</b>	<b>2,895,000</b>	<b>2,895,000</b>