

## **Cabinet – 3 February 2016**

### **Corporate Budget Plan and Treasury Management and Investment Strategy 2016/17**

**Portfolio:** Councillor M. Bird – Leader of the Council (Lead Portfolio)

**Related Portfolios:** All

**Service:** Finance – council wide

**Wards:** All

**Key decision:** Yes

**Forward plan:** Yes

#### **1. Summary**

1.1. This report contains two sections as follows:

**Section A for Cabinet approval** - Findings from Budget Consultation: Financial Year 2016/17 and Cabinet Responses. This section is for Cabinet's consideration and approval.

**Section B for Cabinet approval and recommendation to Council consists of:**

- **Part 1** – The Revenue and Capital Budget Plan comprising the final revenue and capital budget plan following consideration of the proposals by overview and scrutiny committees and public consultation.
- **Part 2** - Treasury Management and Investment Strategy as required by the CIPFA Code of Practice. It includes details on the Prudential Code Indicators (PCIs) for the next three years and asks Cabinet to approve them and recommend adoption of these to full Council. The Strategy both complies with the Local Government Act 2003 and also provides an additional framework over and above the statutory minimum for monitoring performance.

#### **2. Recommendations**

##### **2.1 Cabinet is asked to note:**

- That at the time of despatch of this report, the precepting authorities (fire and police) had not formally notified the authority of their final council tax levels. (The council has been advised that they will both be approved following meetings scheduled for early February, final figures will therefore be provided prior to or at the Council meeting of 25 February 2016).
- That at the time of despatch of this report, the levy authorities (Environment Agency and West Midlands Passenger Transport Authority) had not formally

notified the authority of their final demand. Current estimates have been used for Centro and Environment Agency based on informal communication, but these are subject to formal approval. (The final levies are expected to be approved early February, and will be included within the final papers to Council).

- That at the time of despatch of this report, allocations for Public Health and Better Care Fund have not been received and final figures will therefore be provided prior to or at the Council meeting of 25 February 2016 with any required amendments to the budget as a result.
- That the existing leasing advisory contract (which includes the purchase agency agreement which is used to transfer ownership of equipment and vehicles in the Council's leasing programme to a lessor) has been extended for a final year into 2016/17. During 2016/17 a tender process will be undertaken to put in place a new leasing advisory contract.

## **2.2 Cabinet is asked to approve:**

- a) The attached report titled Section A: The Findings from Budget Consultation: Financial Year 2016/17 and Cabinet Responses.
- b) Investment of £22.27m to cover demand, income shortfalls and cost pressures as follows;
  - Adult Social Care           £13.69m
  - Children's Services       £ 7.12m
  - Waste Services           £ 0.97m
  - Markets                   £ 0.17m
  - Money, Home, Job       £ 0.22m
  - Partnerships             £ 0.10m
- c) The allocation of revenue resources for 2016/17 as set out in Section B: Part 1 "The Revenue and Capital Budget Plan", and subject to required consultation and equality impact assessment, the allocation of revenue resources and savings for 2017/18, and further delegates authority to the relevant executive directors to implement the 2016/17 savings.
- d) 2016/17 policy changes as set out in section 12.4 and table 1 of this report, and instruct executive directors to implement these, subject to Council approving the budget on 25 February 2016.
- e) That delegated authority be given to the Chief Financial Officer to make any necessary amendments, in consultation with the Leader (portfolio holder for finance), to take account of the final levies and precepts which have not yet been notified; any changes arising from the final Settlement; final grant allocations and final technical guidance or legislation on the budget, and to make any necessary amendments to the statutory determinations and council tax bands to take account of those changes and the resulting final analysis of the budget for 2016/17 and for amendments to those to be submitted and therefore recommended to Council at its meeting on 25 February 2016.
- f) The capital programme for 2016/17 of £71.97m subject to Council approving the Council's borrowing requirement and capital expenditure plans on 25 February 2016.
- g) The leasing programme set out at 2.3.2 and delegate authority for approval of in year expenditure to the Head of Finance (up to a cumulative value of £500k) and the Chief Financial Officer (above £500k).

**2.3 Cabinet is asked to approve and recommend to Council, subject to receipt of final precepts and levies, receipt of the final settlement, technical/legislative guidance and final specific grant allocations (*substitute figures and resolution to be provided to Council to take account of any changes arising from these*):**

**2.3.1 Revenue**

- a) The allocation of revenue resources for 2016/17 as set out in Section B: Part 1 "The Revenue and Capital Budget Plan".
- b) A Walsall council net council tax requirement for 2016/17 of £100.99m – with a 3.99% increase in council tax, 2% of which is earmarked for Adult Social Care.
- c) That the recommendations of the Chief Financial Officer (CFO) in respect of the robustness of the estimates made for the purposes of the budget calculations and the adequacy of reserves **be approved**, including the levels of central contingency and an opening general reserves of not less than £12.4m, as set out in **Annex 3** of the budget plan.
- d) The (estimated) levies below for outside bodies and Cabinet **approve** that the final figures **be substituted** for these provisional ones once they are available at the Council meeting on 25 February 2016. (An estimate has been used within this report based on informal notification from the authorities).

LEVY	AMOUNT (£)
West Midlands Passenger Transport Authority	<b>12,186,906</b>
Environment agency	<b>74,551</b>

- e) The following statutory determinations (references are to the Local Government Finance Act, 1992 as amended), and subject to any final changes arising from receipt of final precepts and levies, receipt of the final settlement, technical/legislative guidance and final specific grant allocations, **and Cabinet approve that these will be substituted** at the Council meeting on 25 February 2016 for the final figures once received:

- I. **£618,865,108** being the aggregate gross expenditure, which the council estimates for the items set out in Section 31A(2) (a) to (f) of the Act.
- II. **£517,874,215** being the aggregate income which the council estimates for the items set out in Section 31A(3) (a) to (d) of the Act.
- III. **£100,990,893** being the amount, by which the aggregate at (e) (I) above exceeds the aggregate at (e) (II), calculated by the council in accordance with Section 31A(4) of the Act, as its council tax requirement for the year.
- IV. **£1,495.71** being the amount at (e) (III) above, divided by the council tax base of **67,520.37**, calculated by the council in accordance with Section 31B of the Act, as the basic amount of its council tax for the year (average council tax at band D).
- V. Valuation bands  
Being amounts given by multiplying the amount at (e) (iv) above by the number which, in the proportion set out in Section 5 (1) of the Local Government Act 1992, is applicable to dwellings listed in valuation band D, calculated by the council in accordance with Section 30 and 36 of the Act as

the amounts to be taken into account for the year in respect of categories of dwelling listed in different valuation bands.

A	B	C	D
997.14	1,163.33	1,329.52	1,495.71
E	F	G	H
1,828.09	2,160.47	2,492.85	2,991.42

- f) The draft precept from the Fire and Rescue Authority and the precept for the Police and Crime Commissioner, issued to the council in accordance with Section 40 of the Local Government Finance Act, 1992, for each of the categories of dwelling shown below and Cabinet **approve** that the final figures **be substituted** once they are available at the Council meeting on 25 February 2016.

PRECEPTING AUTHORITY	VALUATION BANDS			
Police And Crime Commissioner	A	B	C	D
	74.36	86.76	99.15	111.55
	E	F	G	H
	136.34	161.13	185.91	223.10
Fire & Rescue	A	B	C	D
	37.34	43.56	49.79	56.01
	E	F	G	H
	68.46	80.90	93.35	112.02

- g) That having calculated the aggregate in each case of the amounts at (e) (v) and (f) above, the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, hereby sets the amounts of council tax for 2016/17 for each of the categories of dwellings shown below and Cabinet **approve** that the final figures **be substituted** once the final precepts are available at the Council meeting on 25 February 2016.

A	B	C	D
1,108.84	1,293.65	1,478.46	1,663.27
E	F	G	H
2,032.89	2,402.50	2,772.11	3,326.54

- h) That notice **be given** of the council tax within twenty one days of it being set by publishing details of the same in the "Walsall Advertiser" newspaper circulating in the Authority's area.
- i) That the Chief Financial Officer **be instructed** to take all necessary action in relation to council tax, community charge and national non-domestic rates, including, where appropriate, the signing of all documents, the giving of notices and the taking of necessary steps to ensure collection thereof.
- j) That, pursuant to Section 52ZB and 52ZC of the Local Government Finance Act 1992, the relevant basic amount of council tax for the Council is not excessive in relation to determining whether a referendum is required.

- k) That Area Panels be disestablished with effect from 1 April 2016 (saving proposal number 80).

### 2.3.2 Capital

- a) The allocation of capital expenditure plans as set out in Section B: Part 1 “The Revenue and Capital Budget Plan”.
- b) That the capital programme set out in the following tables **be approved** bearing in mind the principle that unless affordable from within current resources, specific projects funded by borrowing will not be commenced until a payback agreement is in place. Schemes funded from grant will commence when final allocations are published. Reserve list items will only commence should funding become available during the financial year.

<b>CAPITAL PROGRAMME 2016/17</b>	
<b>MAINSTREAM (COUNCIL FUNDED) SCHEMES</b>	<b>ESTIMATED VALUE £</b>
<b><i>Prior Year Approvals</i></b>	
Mayrise system mobile working – additional hardware / software to enable in cab and mobile working within Waste Management	18,000
Libraries Universal Digital Offer – a 21 <sup>st</sup> century Public Library service	54,840
Active Living – Oak Park and Bloxwich Leisure Centres	1,881,306
Traffic signals – replacement of obsolete equipment	150,000
Smarter workplaces programme to reduce the number of council buildings	220,000
M6 junction 10 improvements	650,000
<b><i>Rolling Programme Schemes</i></b>	
Preventative / Aids and Adaptations and Supporting Independence	2,000,000
Health Through Warmth – Safety Net support	150,000
Proactive Memorial Safety in Walsall cemeteries	30,000
Highway Maintenance Programme	2,810,745
<b><i>New Capital Bids</i></b>	
Integrated Community Equipment Service office accommodation	110,000
PARIS replacement software	31,500
Windows server 2012 –review of Capita One system in Children’s Services	21,100
New wheeled bins – purchase of bins to support revenue proposal to move to alternate weekly collections	653,470
Extra land at Borneo allotments	25,000
Arboretum car park improvements	434,242
Open + in retained libraries, linked to revenue savings proposal	300,000
Highway Maintenance DfT Challenge Fund local contribution	210,000
Migration of existing Urban Traffic Control communication network	125,000
Council building information modelling – new statutory requirement	272,174
Hatherton Road multi-storey car park structural survey	80,000
Customer facing services being accessed by citizens electronically	53,000
Data back up system replacement	220,000
Money Home Job core IT system hardware and support refresh	51,500
Data centre air conditioning	130,000
Data centre power backup	310,000
<b><i>Council Wide bids</i></b>	
Funding to support essential works including Health & Safety, and other projects that cannot be guaranteed at start of year	750,000
<b>Total</b>	<b>11,741,877</b>

<b>NON-MAINSTREAM CAPITAL PROGRAMME – SCHEMES FUNDED FROM EXTERNAL SOURCES 2016/17</b>	<b>ESTIMATED VALUE £</b>
Social Care capital grant – support development in personalisation, reform and efficiency	797,000
Heritage centre for Walsall – relocation of existing facilities	230,000
Active Living – Oak Park and Bloxwich Leisure Centres	143,159
Local Transport Plan - Highway Maintenance Programme	2,400,000
Highways Maintenance DfT Challenge Fund	1,600,000
Integrated Transport Block / Local Transport Plan 2016/17	1,286,000
Darlaston Strategic Development Area Access Project	535,000
Growth Deal – creation of skills, connections for manufacturing	44,000,000
Basic Need school allocation	4,612,807
Devolved Formula Capital school allocation	573,944
Capital Maintenance school allocation	2,415,181
Disabled Facilities Grant	1,632,000
<b>Total</b>	<b>60,225,091</b>

<b>CAPITAL PROGRAMME RESERVE LIST ITEMS 2016/17</b>	
<b>MAINSTREAM (COUNCIL FUNDED) SCHEMES</b>	<b>ESTIMATED VALUE £</b>
Shop maintenance	120,000
Regenerating Walsall	100,000
CCTV Public Space surveillance system	TBA
Promotion of Community Health & Safety	240,000
Aldridge Airport resurfacing of access road and car park	300,000
Walsall Town Hall refurbishment	500,000
Preventative / Aids and Adaptations and Supporting Independence	1,150,000
Retender of Wide Area Network Connections	300,000
<b>Total</b>	<b>2,710,000</b>

c) That the leasing programme set out in the following table be approved

<b>LEASING PROGRAMME 2016/17</b>	
	<b>EXPENDITURE £</b>
Refuse vehicles	311,858
Light commercial vehicles	430,181
Tractors and agricultural machinery	199,026
Welfare vehicles	53,134
Community equipment	224,098
<b>Total</b>	<b>1,218,297</b>

d) The existing leasing advisory contract (which includes the purchase agency agreement which is used to transfer ownership of equipment and vehicles in the Council's leasing programme to a lessor) has been extended for a final year into 2016/17. During 2016/17 a tender process will be undertaken to put in place a new leasing advisory contract.

### 2.3.3 Treasury Management

- a) Section B – Part 2 – The Treasury Management and Investment Strategy 2016/17, including the council's borrowing requirement and the adoption of the prudential indicators, **be approved**.
- b) That decisions to effect movements between conventional borrowing and other long term liabilities, such as leases, **be delegated** to the Chief Financial Officer.
- c) That decisions to use capital receipts or borrowing within the framework of approved prudential indicators **be delegated** to the Chief Financial Officer.

## 3. **Report detail**

- 3.1 The council's budget is a financial representation of the organisation's plans. It is constructed as an integral part of the council's planning processes and aligned to its priorities and objectives. The attached budget plan at **Section B** sets out the revenue and capital plans for service delivery for 2016/17 and beyond.

## 4. **Council priorities**

- 4.1 The budget process is an annual cycle aiming to support delivery of council priorities within the available resources. It aims to achieve this through the delivery of efficiencies, income reviews and service reviews and redesign to redirect existing and reducing resources to areas of high council priority. This budget has been prepared using the council's high level purpose and priorities as outlined in the report approved by Council on 21 September 2015, pending the completion and approval of the full corporate plan alongside this budget report.

## 5. **Risk management**

- 5.1 Budget Plan: The council reviews corporate financial planning and budget principles in accordance with the medium term financial strategy (MTFS). The budget setting process includes a comprehensive financial risk assessment to determine key risks and their impact on the budget. Services undertake risk assessments of their budgets by identifying risk factors, potential changes to service delivery and funding streams. This ensures that adequate budgetary provision is available to cover unforeseen future events. This successful approach is now embedded and is used to inform the level of earmarked and general reserves.
- 5.2 The identification of risks, and level of reserves, is referred to in the CFO statement at **Annex 3** of the budget plan. It is, however, unlikely that all risks identified will arise, however new risks may also emerge. Managers are required to deliver services within the available budget. Any known changes in service demand or costs arising from legislative or government demands are identified and dealt with, within the overall draft revenue budget, as growth items. The level of reserves should be sufficient to cover all but the most unusual of events. Any in-year use of general reserves may require replenishment to ensure the opening level of reserves is as required by the MTFS.

## 6. **Financial implications**

- 6.1 The council must set a balanced budget to meet its legal requirements as set out under legal implications.

## 7. Legal implications

- 7.1 The legal duty for a council's finances falls within s151 of the Local Government Act 1972. Arrangements for the proper administration of the council's affairs is secured by the s151 Officer (the Chief Financial Officer).
- 7.2 Cabinet recommend the revenue budget and draft capital programme to Council. Council are responsible for making a calculation in accordance with sections 31A to 37 of the Local Government Finance Act 1992 (as amended). This includes the statutory determinations (aggregate gross expenditure, gross income, council tax requirement for the year and setting the council tax for a financial year).
- 7.3 Under the Local Government Act 2003 (s25), an authority must set a council tax and balanced budget, giving 14 days notice of the council tax level prior to the date of billing. The council must set a budget before 11 March of each year. This will include the Chief Financial Officer's report that deals with the robustness of the budget and the adequacy of the reserves for which the budget provides, together with an assessment of risk. This is provided at **Annex 3** of the budget plan.
- 7.4 The Local Government Act 2003 and supporting Regulations require the Council to have regard to the Prudential Code and to set prudential indicators for the next three years to ensure that the council's capital investment plans are affordable, prudent and sustainable. The Act requires the Council to set out its treasury strategy for borrowing and to prepare an annual investment strategy (as required by investment guidance issued subsequent to the Act); this sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments. This is provided at **Part 2** of the budget plan.
- 7.5 In recent years central Government has capped the level of council tax rises. For 2016/17, the Government have announced that local authorities will again need to seek approval of their electorate via a local referendum if they propose to increase council tax levels by 4% or above as confirmed as part of the local government settlement on 17 December 2015, inclusive of the 2% ringfenced for Adult Social Care.
- 7.6 Section 138 of the Local Government and Public Involvement in Health Act 2007 placed a general duty on every local authority in England to take such steps as it considers appropriate to secure that representatives of local persons (or of local persons of a particular description) are involved in the exercise of any of its functions, among other things by being consulted about the exercise of the function. Our approach to consultation was reported to Cabinet in October and December and is set out in section 10 of this report and in the attached document: Section A: The Findings from Budget Consultation: Financial Year 2016/17 and Cabinet Responses.
- 7.7 The 2010 Equality Act whilst not imposing a specific duty to consult, lays a requirement to have due regard to the equality impact when exercising its function. Failure to meet the requirements in the Public Sector Equality Duty, may result in the council being exposed to costly, time-consuming and reputation-damaging legal challenges.
- 7.8 An Equality Impact Assessment (EqIA) is the chosen procedure, by the council, for



checking lawfulness of decisions in relation to the impact on people with certain characteristics protected by the Equality Act 2010. Further detail is provided in section 11 of this report.

- 7.9 Cabinet and Council members have been issued with guidance on their responsibilities in relation to setting a budget and under the public sector equality duty. Each Member will receive a full copy of the Policy, Procedure and Services equality impact assessments undertaken to assist them in their decision making.

## **8. Property implications**

- 8.1 Any direct property implications as a result of service redesign and revenue savings proposals are assessed as part of the budget process.

## **9. Staffing implications**

- 9.1 Staffing implications are assessed and included as part of the budget process. There has been positive and meaningful consultation with both employees and the trade unions. The contribution of the trade unions will be important in the council achieving its key aims and objectives particularly in these challenging times. Officers and members will continue to consult widely with them in all aspects of service design and delivery.

## **10. Consultation**

- 10.1 For our services to meet the needs of local residents, and of the community at large, it is essential that our plans and policies take into account the views of local people and others who use our services. We aim to be a listening organisation and we use a broad range of consultation methods to better understand what matters most to residents and how our decisions affect them.
- 10.2 Consultation is an integral part of the budget process and a programme of consultation was undertaken to consult with a wide range of stakeholders (i.e. councillors via overview and scrutiny committees, service users, potential service users as appropriate, NNDR rate payers, voluntary and community organisations, etc.).
- 10.3 The outline to budget consultation undertaken to date was outlined in the budget reports to Cabinet on 28 October and 16 December 2015. Attached at **Section A** is a separate report outlining an update to the approach taken, findings, including feedback from service specific consultation and Cabinet's response to each of the policy proposals, for Cabinet's consideration and approval.
- 10.4 Overview and Scrutiny committees received the draft revenue budget proposals in November/December 2015 and Cabinet received feedback in December. The report to overview and scrutiny included details on the draft budget proposals relating to the services within their individual remit along with a link to the full budget papers to allow wider comment to be made.
- 10.5 The second draft budget report including the draft capital programme was referred on to overview and scrutiny committees in January 2016. The following summarises the key feedback from these scrutiny panels:

## ***Corporate and Public Services Overview and Scrutiny – 21 January 2016***

The Corporate and Public Services Overview and Scrutiny Committee considered a petition on 'Save New Invention Library' and a report 'Feedback on consultation regarding the budget proposals under consideration for the Library Service' at its meeting on 21 January 2016. Members questioned the Portfolio Holder (Community, Leisure and Culture), the Head of Libraries, Heritage and Arts and heard from a Member of the Public.

Members heard proposals for alternative provision of library services at seven sites across the Borough. Whilst reassured that some provision would be retained Members of the Committee remained concerned that these proposals would not provide communities with a local facility providing services wider than that of a book exchange. It was noted that consultation feedback indicated that a large number of library users visited on foot. Concern was raised by Members that the location of bus routes in proximity to libraries was taken into account when considering proposed library closure sites.

The Committee Resolved:

1. The Overview and Scrutiny Committee stresses the importance of libraries being at the centre of communities and providing more than just a book exchange, and;
2. That the Committees original recommendation to Cabinet should be reiterated;

That this Overview and Scrutiny Committee urges Cabinet to rethink and change its methodology for library closures and base their decision on educational attainment, achievement, life chances and deprivation. Further to this, capacity should be created in the third sector to develop a volunteer base to improve the long term sustainability of the library service.

***Social Care and Health Overview and Scrutiny – 28 January 2016*** – this meeting takes places after the despatch of this report so any feedback or recommendations will be circulated separately prior to the Cabinet meeting.

The Committee have also asked for the following to be referred back to Cabinet: 'When considering future savings within adult social care it should be remembered that spend on adult social care as a % of total council budget in Walsall is low and one of the lowest in the West Midlands, future budget setting should ensure sustainable resources to fund adult social care'.

***Education and Children's Services Overview and Scrutiny*** – the 2<sup>nd</sup> draft budget report has been circulated to all members of the committee for comment due to the timing of the next meeting which is after Cabinet. No feedback has been received.

- 10.6 The Treasury Management Strategy has been approved by the finance Treasury Management Panel (an internal governance arrangement comprising the Chief Financial Officer, Head of Finance and Corporate Financial Systems and Treasury Manager). All officers involved in treasury management follow approved treasury management policies and procedures.

## **11. Equality implications**

11.1 Equality impact assessments were undertaken on proposals as they developed. These assessments along with required actions were reported to Cabinet, to allow them to consider any revisions required to the final budget for recommendation to Council. Following review of the proposals and consideration of consultation and equality impact assessments, a number of changes have been made to the final proposals by Cabinet, as highlighted in the following paragraphs and section 12 of this report. A copy of each of the full EqlA's have been provided to Cabinet members and will be placed in each of the political group rooms prior to Council meeting on 25 February.

11.2 Assessing the impact of proposed changes to policies, procedures, services and organisational change is not just something the law requires, it is a positive opportunity for the council to ensure it makes better decisions, based on robust evidence.

11.3 Failure to meet the requirements in the Public Sector Equality Duty may result in the council being exposed to costly, time-consuming and reputation-damaging legal challenges. An Equality Impact Assessment (EqlA) is the chosen procedure for checking lawfulness of decisions in relation to the impact on people with certain characteristics protected by the Equality Act 2010. These are:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion and belief
- Sex
- Sexual orientation

### **11.4 Information required in the EqlA**

An EqlA must contain relevant data and sufficient analysis to enable members to understand the equality implications of a proposal and any alternative options. It must have sufficient information and be presented to decision makers in time for them to understand the effects of the proposal on people with protected characteristics and;

- Consider whether action can be taken to mitigate any identified potential adverse impacts. Some proposals will affect everyone, but others will affect people from different equality groups.
- Consider whether action can be taken to enable the policy or decision to advance equality of opportunity for people who share a relevant protected characteristic.
- Request further research, consultation, or action is necessary.

### **11.5 What course of action does the EqlA suggest?**

An EqlA should clearly identify the option(s) chosen, and their potential impacts, and document the reasons for this decision. There are four possible outcomes:

A. No major change required

When no adverse impact is identified and all opportunities to promote equality have been taken. To make this judgement, concrete evidence must be provided that people with protected equality characteristics (all groups) will not be affected adversely.

B. Adjustments are needed to mitigate adverse impact and to better promote equality.

A plan is required which must include specific deadlines for actions to be completed in order for the decision to be implemented, e.g. alternative ways of providing the service, signposting to other providers and ongoing monitoring of the impact. If there are further concerns following adjustments, the decision must be reviewed and action taken.

C. Continue despite possible adverse impact

Compelling reasons will be needed and mitigating actions are required to minimise adverse impact. An action plan is required which must include specific deadlines by which mitigating actions need to be completed in order for the decision to be implemented, e.g. alternative ways of providing the service, signposting to other providers and ongoing monitoring of the impact. If there are further concerns following adjustments, the decision must be reviewed and action taken.

D. Stop and rethink the proposal

When an EqlA shows actual or potential unlawful discrimination and needs to be reviewed immediately.

## 11.6 Evaluation of Equality Impact Assessments

All managers responsible for policy proposals and operational proposals with the confirmed requirement for an EqlA carried out the EqlAs, taking into account feedback from people with protected characteristics, whether they were service users or respondents to the general budget consultation. 40 proposals for 2016/17 were considered for their impact on protected characteristic groups. 2017/18 proposals will be considered next year. Each of the proposals had an equality screening and 17 proposals have undergone Policies, Procedures and Services (PPS) Equality Impact Assessment (EqlA).

11.7 Ongoing support was provided to managers particularly in relation to identifying outcomes from the EqlAs. The table below shows the outcomes for the 17 proposals.

Decision		Number of EqlAs
A	No major change required	3
B	Adjustments are needed to mitigate adverse impact and to better promote equality	10
C	Continue despite possible adverse impact	4
D	Stop and rethink the proposal	0
Total		17

- 11.8 Where the outcomes showed B: adjustments were needed to mitigate adverse impact to better promote equality or C: continue despite possible adverse impact, the action plan had to show the adjustments needed, how to reduce the impact or justify why it should continue despite the impact. Where the outcomes showed D: stop and rethink the proposal, potential withdrawal was considered. All EqlAs that have resulted in B or C outcomes were further reviewed by the Equality and Diversity team. There were no D outcomes identified.
- 11.9 B and C outcomes have been considered by Cabinet members, giving opportunity to comment and where applicable, amend the budget in terms of its fairness, equality duties and objectives as well as future shaping of the services.
- 11.10 For proposals where adjustments were needed to remove barriers these have been identified and will be monitored and managed following implementation. For proposals that identified possible adverse impact these will also will be monitored and managed following implementation.

#### **11.11 Cumulative Equality Impact Assessment**

The council recognises that, in determining the saving proposals, account is taken of relevant knowledge and information within the relevant area or directorate as well as from service users or potential users. It is possible that there will be people that will be impacted on by more than one reduction or service change outside the managers' areas of influence. This is referred to as 'cumulative impact' and the council will seek to understand such an impact, particularly in relation to people with protected characteristics.

- 11.12 The Equality and Diversity team have analysed outcomes of the EqlAs particularly where adjustments or potential adverse impacts were identified. The aim was to consider how different budget changes may affect people of the given group and to ascertain if people of that particular group may be affected by more than one proposal. Demographic information from *Walsall: An Equality & Diversity Profile 2014*, based on Walsall census was also considered in order to ascertain implications for wider social trends in Walsall.

#### **11.13 Walsall Equality and Diversity Profile – key issues**

For those protected characteristic groups identified as having potential cumulative impact the Walsall: An Equality & Diversity Profile 2014 identifies:

- Walsall has an estimated resident population of 274,173, of whom 49.1% are male and 50.9% are female.
- The number of residents in the borough has increased over the past decade, reversing the periods of population decline seen through the 1980s and 90s.
- In comparison to England, Walsall has a lower proportion of working age people and more children and older people. The borough's total population is projected to exceed 300,000 for the first time by 2035.
- Walsall has a greater proportion of children than England as a whole. Walsall did not experience the same fall in numbers of children as England, and still has a greater proportion of very young children. One factor may be Walsall's higher

proportion of minority ethnic groups – who tend to have higher than average birth rates.

- Walsall has a higher proportion of people above retirement age than nationally (but only up to the ages of around 80, when this pattern reverses). This has implications for local services and the caring responsibilities on the rest of the population.
- The majority of residents in Walsall do not find their day-to-day activities affected by illness or disability over the long-term. However, around one in ten Walsall residents suffer from a long-term health problem or disability that substantially limits their day-to-day activities. This affects 28,100 people, and at 10.4% of the borough's population is above the national average of 8.3%. A similar number of Walsall residents (10.3%) find their day-to-day activities limited a little – again higher than the national average (9.3%). Overall, health problems and disabilities limit the daily lives of one in every five people in Walsall.
- The General Fertility Rate (GFR) of an area is the number of live births per 1,000 women aged 15-44, and it provides a measure of current fertility levels. For every 1,000 Walsall women of child bearing age there were 70.7 live births in 2013 – which gives the borough a higher fertility level than the national average of 62.2.
- There has been a significant increase in the level of ethnic diversity in Walsall over the past decade. While 'White British' remains the largest single group at 76.9%, the number of residents from a minority ethnic group has risen to almost one in four. This figure of 23.1% residents is an increase from 2001 when only around 14.8%, or one in six residents, were from an ethnic minority. It is also above the 20.2% minority ethnic proportion of England as a whole in 2011. Nine out of ten Walsall residents (90.1%) were born in the UK. Walsall's minority ethnic population is not equally distributed but is instead largely concentrated into a few areas of the borough, primarily south of Walsall town centre: Pelsall ward has a non-white population of around 2% while in Palfrey it is almost 65%. In some neighbourhoods, 'minority' ethnic groups account for over 90% of residents.
- People in Walsall have a greater level of religious affiliation than in England overall, with three quarters (74.0%) identifying with a religion compared with two thirds (68.1%) nationally. However, in the past decade the proportion of residents who have no current religion has doubled, to one in five.
- While a majority of Walsall residents still view themselves as Christian, this has fallen substantially in the past 10 years (down from 72.1% in 2001), as it has nationally. In contrast, the number of Muslims in Walsall has increased from 5.4% to 8.2%.

#### **11.14 Impact – Findings and Mitigating Actions**

All 9 equality characteristics defined by the Equality Act were considered in individual Equality impact assessments and subsequent analysis of the findings from these EqlAs was carried out. A number of areas of cumulative impact have been identified that required further mitigating actions in relation to the following protected characteristics:

- Children under 5
- Young Children and Youth (under 16 + early 20s)
- Older People
- Disabled people and children

- Pregnancy and Maternity
- Race, religion and belief

The analysis did not show cumulative impact on the following protected characteristics:

- Gender reassignment
- Sexual orientation
- Marriage and Civil Partnership
- Sex

Only Youth Services have identified that ceasing services would impact on most protected characteristics, particularly where targeted support was provided for young people. These impacts and mitigating actions are covered in the specific equality impact assessment and do not require further cumulative considerations at this stage.

### **11.15 Children Under 5 - Actions**

The following proposals, some of which have been ongoing from 2015/16, may in some way change our offer to 0-5 children resulting in a potentially negative impact:

- Children Centres (31)
- Libraries (74)
- Area Partnerships (80)
- Toy Library (149)

Actions identified include:

- a) The new Locality Model introduced by Children Services is to be further developed in conjunction with the redesign of Area Partnerships so that activities aimed at young children may continue based on greatest needs.
- b) Loss of some libraries in certain areas as venues for activities aimed at very young children and carers would also be factored into the Locality Model. The role of schools in potentially hosting some library stock will be explored. Better use will be made of the Central Library for providing initial Information, Advice and Guidance in partnership with the Families Information Service.
- c) The future of the Toy Library service assets ownership and fund-raising will be considered in cooperation with Area Coordinators. This will also ensure that partnership areas understand the needs of small children and parents/carers better and work to common objectives.

### **11.16 Youth and Young Adults - Actions**

Young Adults are likely to be affected by the following proposals

- Youth Support (145, 147)
- Youth Opinion Unite (150)
- Youth Information, Advice, Guidance (152)
- Welfare Advice and Support (180)

As a result of the cumulative impact analysis it has been agreed that:

- a) A new community sector infrastructure that is currently being redesigned would take into account impact. There would be strong emphasis on using knowledge of Area Coordinators in attracting external funding and prioritising the right projects for

young people with all different equality characteristics with the aim to support the building of Community Cohesion.

- b) Together with our partner organisations and schools' clusters, alternative ways of enabling opinions of young people to be heard will be developed.
- c) The schools' clusters and Walsall 14-19 (25) Partnership will expand their role in providing career guidance and employment support for young people in the borough.

#### **11.17 Older People - Actions**

- a) Cumulative impact in the area of Older People is linked to impact on disabled people, therefore this is covered in the next section.
- b) Book exchange' facilities and use of community buildings already run by third sector will be continuously explored for future library provision. This is planned to be done in conjunction with the Area Management redesign.
- c) The redesign of welfare advice and support to take place in 2016/17 will consider the needs of older people in their stakeholder event and subsequent working group due to be launched in spring 2016.

#### **11.18 Disabled People - Actions**

A number of proposals have indicated potential impact on people with disabilities These include:

- Commissioning budgets and reviews of complex needs (9, 11)
- Special Educational Needs transport (13)
- Access, Assessment and Care (28)
- Mental Health Section 117 (29)
- Employment Day Opportunities (44)

A potential impact was also identified in a number of universal services – these include:

- Toxic Trio (24, 26, 32)
- Children Centres (31)
- Domestic Waste (54)
- Libraries (74)
- Youth Support (145, 147)
- Youth Opinion Unite (150)
- Youth – Information, Advice and Guidance (152)
- Welfare Advice and Support (180)

The following actions were agreed in order to mitigate the potential adverse impact in these areas:

- a) Service user data (from existing casework) would be shared between the departments, where relevant, to establish which service users/families could be affected by more than one change. For those cases that are likely to get less support as a result of case reviews, information will be shared with Money Home Job to assist residents further with their queries.
- b) Future needs of children linked to the SEN transport will also be considered as part of the forthcoming SEND reform and Inclusion Strategy being prepared by Children Services, promoting greater independence.



- c) Where there are plans to reassess and review existing cases in applying new national criteria in Adult Social Care, the impact on people with disabilities will be closely monitored and specialist transitional plans will be put in place for those who are adversely affected.
- d) Organisations representing the needs of disabled people and children will take part in a working group aimed at setting up a new welfare advice and support charitable body.
- e) Area Coordinators will ensure that the voluntary sector organisations representing all different needs of disabled people will have an important role in a new voluntary sector infrastructure, particularly with regard to identifying sources of funding for future young people activities.
- f) Our Clean and Green services will continue to provide assisted bin collections for certain households based on their needs.

### **11.19 Pregnancy and Maternity - Actions**

There are a small number of ongoing service redesigns that will affect women who are pregnant or with small children. The cumulative impact in this area was considered during the previous year's Budget and continues to be monitored. The areas include:

- Libraries redesign (74)
- Youth Services – Information, Advice and Guidance (152)
- Domestic Waste (54)

Actions include:

- a) As already mentioned in the section looking at impact on Age, our libraries redesign will be closely monitored alongside setting up the new Locality Model in Children Services where we envisage that activities previously offered by libraries may continue to be offered if there are recognised needs in specific localities. This would include better understanding of migrant families settling in different areas.
- b) Our Walsall 14-19 (25) Partnership will consider a need for a specialist targeted Information, Advice and Guidance support for young mothers or pregnant girls and where this would be best placed. The role of schools' clusters will also be strengthened in terms of support and career guidance.
- c) Our Clean and Green services will be offering larger bin sizes for larger families with children.

### **11.20 Race or Minority Ethnicity and Religion and Belief - Actions**

It has been recognised that changes to services as a result of new national criteria (e.g. Adult Social Care) or re-commissioning (domestic violence service) require paying particular attention to the involvement and impact on different ethnic minorities and religious groups that are already service users or potential users in the future. Services planning changes recognise that the needs of different communities need to be better understood and reflected in future delivery. The following areas made a commitment to improve their service delivery in respect of race, religion and belief:

- Commissioning budgets and reviews of complex needs (9, 11)
- Toxic Trio (24, 26, 32)
- Re-commissioning of Domestic Violence Forum (179)

- Youth Services – Information, Advice and Guidance and Youth Opinion Unite (145, 147, 150)
- Area Partnerships (80)
- Domestic Waste (54)

The following actions were developed:

- a) People who do not use English as a first language will be provided with communication and transition support through the process of reviews of complex needs and other social care casework.
- b) Council services will ensure that the voluntary and community sector representing needs of East European communities would be involved in service redesigns in future, particularly in the redesign of Children Centres and review of the Toxic Trio offer, such as alcohol prevention and domestic violence.
- c) Redesigns of area partnerships and the building of the new voluntary and community sector infrastructure as part of developing a new charitable body for welfare advice and support will take account of the needs of migrant communities settling in Walsall. Current funding for religious groups and activities will be looked at to create a more diverse offer and positive impact on Community Cohesion.
- d) Good communication for those who do not use English as a first language will be factored into the forthcoming Inclusion Strategy of Children Services.
- e) Existing partnerships, particularly involving our biggest partners, such as Walsall Housing Group, CCG and Walsall and Dudley Mental Health Trust, to continue to work together so that we have a good understanding of priorities. Black Country Grants Programme and EU Funding to be explored to help deliver actions arising from the cumulative equality impact assessment.

#### **11.21 Gender Reassignment and Sexual Orientation - Actions**

The monitoring of transgender people is not, as yet, a legal requirement. Comprehensive data is currently unavailable at local authority level. Data is only available down to regional level for the proportion of adults who said they were gay, lesbian or bisexual, with the West Midlands recording 1.2%. In service redesigns and changes there were no cumulative impacts identified for Gender Reassignment and Sexual Orientation. Youth Services have recognised that ceasing services would impact on most protected characteristics, particularly where targeted support was provided for young people. However, these impacts and mitigating actions are covered within individual equality impact assessments.

#### **11.22 Equalities Summary**

The council has carefully considered the EqlAs where the outcome was to go ahead with the reductions despite potential adverse impact (option C on the form). Great emphasis was put on managing and mitigating this adverse impact to the services' best ability, within available budgets, and in consultation with their service users with protected characteristics.

- 11.23 Managers implementing the service changes where potential cumulative impact has been identified will be responsible for the mitigating actions outlined in this section. Progress will be tracked quarterly by the Corporate Equality Group and reports will be provided to Cabinet/CMT as required. Members of the public will be able to track progress in the Public Sector Equality Duty report that Walsall Council releases annually in January.

## **12. Amendments to the Revenue Plans and Capital Programme**

- 12.1 On 28 October 2015 Cabinet presented the Resource Allocation 2016/17 to 2019/20: Draft Revenue Budget for Consultation setting out plans for service delivery, including proposals to meet funding reductions and cost pressures within the context of a four year financial outlook for the period 2016/17 to 2019/20.
- 12.2 A further report to Cabinet on 16 December 2015 outlined the draft capital programme for the same four year period, for onward consultation.
- 12.3 Portfolio plans identified the indicative revenue cash limit and draft capital programme, summary of services within the portfolio, objectives and future plans, along with a list of revenue savings and efficiencies proposed for each of the 4 year budget plan from 2016/17 to 2019/20 and capital plans where appropriate.
- 12.4 Further to previous reiterations of the 2016/17 budget proposals to Cabinet on 28 October and 16 December 2015, there have been a number of changes to revenue proposals following extensive budget consultation (as identified in Section A of the attached report - Findings from Budget Consultation Phase Two: Financial Year 2016/17 and Cabinet Responses) and following review of equality impact assessments (as identified in the previous section of this report), as outlined below:
- Saving 14 – Review and reduce short breaks services - to extend the consultation period and delegate authority to the Executive Director, in consultation with the Portfolio Holder and Leader of the Council to implement any revisions as a result of further consultation.
  - Saving 44 – the review of adult social care, employment and day opportunities is to be considered in a separate report to Cabinet on 3 February 2016, therefore the final budget report to Council will reflect the decision of Cabinet on this matter as taken on 3 February.
  - Saving 72 – the proposal to reduce opening hours at the New Art Gallery, including Sunday closure, of £19k to be replaced by staffing reductions following a request for voluntary redundancy.
  - Saving 74 – proposal to close 7 libraries and the mobile library service to be reduced by £146k in relation to the following:
    - Continue with the proposal to close six libraries (Beechdale, Blakenall, New Invention, Rushall, South Walsall, Walsall Wood) with Walsall Wood becoming a book exchange at Oak Park as per the original proposal. Book exchanges will continue to be explored as alternatives, with three firm expressions of interest in respect of Beechdale, New Invention and Rushall libraries. There are potential book exchanges coming forward for South Walsall and Pleck which came later in the consultation period so are not as advanced at this stage.
    - Pleck library to be retained subject to a pilot of Open+ technology during 2016/17 ahead of the proposed wider use of Open+ technology in 2017/18.
    - Retention of one mobile library with a revised route and timetable where there is a demonstrable need for the service. The route will be subject to further consultation.

- An additional book exchange to be provided at Bloxwich Active Living Centre to mitigate the potential pressure on Bloxwich library and to also complement the new Active Living investment.
- Saving 77 (operational) – reprofiling of the proposal to review the Creative Development team by bringing forward £50k from 2017/18 to 2016/17.
- Saving 134 (operational) – proposal to review the council's debt portfolio to be increased by £250k.
- Saving 137 (operational) – saving from airport dividend increased by a further £200k.
- Saving 173 (operational) – £5k efficiencies within Public Health to be implemented alongside saving 183 – general efficiencies.
- Saving 184 – proposal to establish a charitable body to deliver welfare advice and support is to be reduced by £50k in relation to the reduction in funding of the Citizens Advice Bureau (changed from a reduction of £100k).
- Saving 189 (operational) – restructure within Money Home Job to be increased by £68k in 2016/17 and £22k in 2017/18.
- New saving 190 added for the reduction in fleet fuel costs of £150k.
- New saving 191 added for the reduction in the Independent Fostering Agency contract of £150k.
- Further saving of £239k, currently held centrally, for the reallocation of vacancy management in recognition of the delay in recruitment to vacant posts.

12.5 In total, £220,205 of savings proposals have been removed in 2016/17 and £50,000 in 2017/18 - this has been funded as follows:

- Substitute proposals (as set out above) - £24,360 in 2016/17
- Brought forward of £50,000 from 2017/18 to 2016/17
- New savings (as set out above) - £145,845 in 2016/17 and £22,000 in 2017/18
- Shortfall of £28,000 in 2017/18 to be addressed as part of the 2017/18 budget setting process

A further £911,155 of new savings have been included to address the funding shortfall in 2016/17.

12.6 The list of savings proposals requiring an executive (Cabinet) decision to proceed were reported to Cabinet on 28 October 2015, with a further one on the delivery model for Internal Audit and Risk to Cabinet on 16 December 2015. Changes arising from Cabinet's review of the developing proposals, budget or specific consultation feedback and equality impact assessment review are set out above and the resulting recommendation is set out in table 1. Cabinet are asked to approve these and instruct executive directors to implement the same.

12.7 One change has been made to the draft capital programme for 2016/17 which is the inclusion of £650k for M6 junction 10 improvements. This was originally proposed in 2014/15 and removed on the basis that it would be funded from a revenue contribution.

<b>Table 1 : Summary of Savings requiring an Executive (Cabinet) decision</b>				
Saving ref	Policy Saving Consulted on	2016/17 £	2017/18 £	Revision to original proposal from Cabinet report 28 October 2015 and <b>Cabinet Approval required for 2016/17 Savings</b>
<b>Care and Safeguarding portfolio</b>				
7	Increased investment in adult social care from Better Care Fund	750,000	500,000	Approve .
9	Reduction in adult social care commissioning for older people	2,000,000	3,000,000	Approve.
11	Good practice reviews of clients with complex needs within adult social care	250,000	250,000	Approve.
12	Housing 21 contract review		2,437	No approval required at this stage as this year 2 proposal is subject to further consultation.
13	Review Special Educational Needs transport packages	250,000	225,000	Approve.
14	Review and reduce short breaks services	150,000	130,000	Extend the consultation period and delegate authority to the Executive Director, in consultation with the Portfolio Holder and Leader of the Council to implement any revisions as a result of further consultation
18	Establish a pool of foster care plus carers	52,572	105,144	Approve.
24	Reduce demand for statutory intervention and cost of looked after children (linked to 26 & 179)		114,143	No approval required at this stage as this year 2 proposal is subject to further consultation.
25	Reduce residential and nursing care admissions through early intervention and prevention approach		250,000	No approval required at this stage as this year 2 proposal is subject to further consultation.
26	Reduce the number of social work posts (linked to 24 & 179)		187,967	No approval required at this stage as this year 2 proposal is subject to further consultation.
28	Increase of community based charging policy	350,000		Approve.
29	Review of mental health clients with s117 status	50,000		Approve.
32	Reduce looked after	41,419	82,838	Approve.

	children cost through investment in voluntary organisations			
Saving ref	Policy Saving Consulted on	2016/17 £	2017/18 £	Revision to original proposal from Cabinet report 28 October 2015 and <b>Cabinet Approval required for 2016/17 Savings</b>
33	Review of complex needs contracts within the voluntary sector	238,580		Approve.
44	Adult social care employment and day opportunities	1,192,306		The review of adult social care, employment and day opportunities is to be considered in a separate report to Cabinet on 3 February 2016, therefore the final budget report to Council will reflect the decision of Cabinet on this matter as taken on 3 February.
148	Continue to review play and stay service		110,000	No approval required at this stage as this year 2 proposal is subject to further consultation.
149	Cease direct provision of the Toy Library service and distribute stock across the Children's Centres and Organisations working with and on behalf of the council.	45,548		Approve ceasing of direct provision of the toy library service and invite expressions of interest from alternative providers who can deliver the service in a different way, noting that a Community Association has expressed an interest in running the service. Delegate authority to officers to decide if applications are suitable and to distribute assets to the successful applicant or, in the absence of a suitable applicant, to distribute existing stock across Children's Centres and organisations working with and on behalf of the council.
<b>Clean and Green portfolio</b>				
54	Reduction in domestic waste collection costs based on alternate weekly collections	520,500	460,500	Approved 16 December 2015.
63	Reduction in the frequency of grass cutting on highway verges	225,000		Approve.

66	Reduction in street cleansing service	150,000		Approve.
Saving ref	Policy Saving Consulted on	2016/17 £	2017/18 £	Revision to original proposal from Cabinet report 28 October 2015 and <b>Cabinet Approval required for 2016/17 Savings</b>
<b>Community, Leisure and Culture portfolio</b>				
72	Close the Art Gallery to the public on Sundays and general efficiencies	19,360		To remove this proposal and replace with staffing efficiencies.
74	Close 7 libraries across the borough and cease the mobile library service	183,009	159,058	To reduce by £145,845 (£328,854 to £183,009) and approve amended proposals as set out in 12.4 above.
75	Implementation of open+ technology in retained libraries		349,813	No approval required at this stage as this year 2 proposal is subject to further consultation.
80	Cease area management and panels	100,000	100,000	Approve review of area management arrangements. Recommend to Council to disestablish Area Panels with effect from 1 April 2016.
83	Introduce a British citizenship application checking fee	2,000		Approve.
86	Provide an income stream from the use of environment levy	100,000		Approve.
91	Amended governance arrangements for sports and leisure services		522,195	No approval required at this stage as this year 2 proposal is subject to further consultation.
<b>Economy, Infrastructure and Development portfolio</b>				
109	Reduce the maintenance of council car parks	15,000		Approve.
110	Reduce routine highways mtnce by 10%	90,000		Approve.
111	Markets service to become self sufficient		20,000	No approval required at this stage as this year 2 proposal is subject to further consultation.
116	Capitalise the remainder of structural highways maintenance	247,904		Approve (funding shift from revenue to capital).
117	Capitalise maintenance of trunk roads	112,841		Approve (funding shift from revenue to capital).
119	Increase the charge for district markets by £5 a stall	44,200		Approve.
120	Capitalise employee costs of highways mtnce team	50,000		Approve (funding shift from revenue to capital).
121	Parking Services revised	25,000		Approve.

	tariff structure for on street pay and display			
Saving ref	Policy Saving Consulted on	2016/17 £	2017/18 £	Revision to original proposal from Cabinet report 28 October 2015 and <b>Cabinet Approval required for 2016/17 Savings</b>
<b><i>Learning Skills and Apprenticeships portfolio</i></b>				
150	Cease Youth Opinions unite service	77,000		Approve.
151	Continue to review targeted youth work		266,500	No approval required at this stage as this year 2 proposal is subject to further consultation.
152	Review of information, advice and guidance service	418,000		Approve proposal and merge with saving 163 (operational).
<b><i>Public Health and Wellbeing portfolio</i></b>				
175	Lifestyle services – procure more integrated model of service delivery	260,000		Cabinet on 16 December 2015 approved the re-design of the delivery of lifestyle services and the commencement of a procurement process for a new service model for public health lifestyles services, the outcome of which to be reported back to a future Cabinet for approval of the contract award. On this basis, approve the saving.
177	Reduce spend on public health services in schools	79,000	225,000	Approve the £79k saving from underspends on existing public health services. No approval required for the year 2 proposal which will be subject to consultation.
178	Recommissioning of 0-5 years service	15,000	400,000	Approve £15k from existing budgets. No approval required for the year 2 proposal which will be subject to consultation.
179	Decommission services provided by domestic violence forum (linked to 24 & 26)	30,000		Approve.
180	Achieve efficiencies through proposal to establish a charitable body to deliver welfare advice and support (linked to 184)	40,000	75,000	Approve.
<b><i>Shared Services and Procurement portfolio</i></b>				
184	Establish a charitable body to deliver welfare advice and support and	50,000	387,290	Approve (2016/17 saving reduced from £100k to £50k in relation to the funding of the



	withdraw funding to Walsall CAB for welfare advice (linked to 180)			Citizens Advice Bureau).
Saving ref	Policy Saving Consulted on	2016/17 £	2017/18 £	Revision to original proposal from Cabinet report 28 October 2015 and <b>Cabinet Approval required for 2016/17 Savings</b>
185	Review of Council Tax reduction scheme		1,613,669	No approval required at this stage as this year 2 proposal is subject to further consultation.

### Background papers

- Various financial working papers.
- Resource Allocation 2016/17 to 2019/20 - Draft Revenue Budget for consultation – Cabinet 28 October 2015
- Resource Allocation 2016/17 to 2019/20 – Update on Draft Revenue Budget, Draft Capital Programme, and update on 2015/16 financial position – Cabinet 16 December 2015
- Equality Impact Assessments

### Authors:

Vicky Buckley, Head of Finance, ☎ 01922.652326, [buckleyv@walsall.gov.uk](mailto:buckleyv@walsall.gov.uk)

Stuart Wootton, Financial Planning Manager, ☎ 01922.652348, [woottons@walsall.gov.uk](mailto:woottons@walsall.gov.uk)



**James Walsh**  
**Assistant Director - Finance (CFO)**  
 27 January 2016



**Councillor M. Bird**  
**Leader of the Council**  
 27 January 2016



**Walsall Council**

**Findings from Service Specific Budget Consultation: Financial Year 2016/17 and Cabinet Responses**

**Report contents**

<b>Section</b>	<b>Page number</b>
1. Executive summary	27
2. Background	39
Approach to consultation	39
Petitions received	40
3. Findings from consultation and EqlAs – Summaries by policy proposal reference number	42

## 1. Executive summary

- 1.1. Budget consultation took place between 29 October 2015 and mid to late December 2015, with some consultation extending into early January 2016.
- 1.2. Anyone who lives, works, studies, visits or does business in the borough was encouraged to have their say on draft policy proposals via questionnaires, online surveys and at face to face meetings, focus groups, drop in sessions and by phone or in writing / email. Whilst anyone could comment on draft operational proposals, the focus for consultation on these was largely internal.
- 1.3. Information presented in this report should be considered alongside Equality Impact Assessments and other supporting information. Methodological considerations, including limitations of the data gathered are detailed in section 2.5 to 2.9.
- 1.4. The proposals may be broken down as follows;
  - a) The following are year two proposals for which consultation, where applicable, will take place in 2016;
    - Ref 12 Housing 21 contract review (approving investment)
    - Ref 24 Reduce the demand for statutory intervention and the numbers and cost associated with looked after children caused by the impact of the 'toxic trio' (year two proposal linked to 26 and 179)
    - Ref 25 Through an integrated early intervention and prevention approach reduce residential and nursing care admissions.
    - Ref 75 relates to a capital investment bid to implement Open+ technology in libraries
    - Ref 91 amended governance arrangements for sports and leisure services
    - Ref 111 Markets to become self sufficient
    - Ref 148 Review of play and stay service
    - Ref 151 continue to review targeted youth work
    - Ref 177 Reduction in public health in schools. The year one saving of £79,000 will be made from underspends in existing public health services, with savings of £225,000 to be made in 2017/18.
    - Ref 178 Re-commissioning of 0-5 services 'Healthy Child'. The year one saving of £15,000 will be made from efficiencies.
    - Ref 185 Review of Council Tax Reduction Scheme (CTRS)
  - b) The following policies have been implemented;
    - Ref 31 Children's Centres redesign (FYE of 2015/16)
  - c) The following policies have already been approved by Cabinet;
    - Ref 54 Reduction on domestic waste collection costs based on alternative weekly collection (December 2015)

- Ref 145 Redesign of targeted youth work FYE of 2015/16 (October 2015)
- Ref 175 Lifestyle services – a more integrated model of service delivery. December 2015 Cabinet approved the redesign of the Lifestyle Service subject to a procurement exercise, the results of which will be reported back to Cabinet. As part of the process, a transition strategy and mobilisation plan will be implemented to ensure service users are sufficiently supported, informed and signposted to a wider range of physical activity opportunities across the borough.

d) The following proposal is being reported to Cabinet separately;

**Policy proposal Ref 44:** Adult Social Care, Employment and Day Opportunities review is being reported separately to Cabinet on 3 February 2016.

e) An extended period of consultation will take place for the following proposal;

**Policy proposal Ref 14:** Review of special educational needs and disabilities (SEND) short breaks services involves an extended consultation period so that additional consultation may be conducted with a view to implementing the proposal in July 2016.

f) Alternative and amended saving proposals have been put forward for the following proposals;

**Policy proposal Ref 72:** Reduce opening hours at the New Art Gallery has been replaced as the savings have been found by making changes to operational management following a request for voluntary redundancy from a member of staff.

**Policy proposal Ref 74:** Consider closure of seven libraries and the mobile library service with the retention of 9 libraries and the housebound service, has been amended as follows;

- Continue with the proposal to close six libraries (Beechdale, Blakenall, New Invention, Rushall, South Walsall, Walsall Wood) with Walsall Wood becoming a book exchange at Oak Park as per the original proposal. Book exchanges will continue to be explored as alternatives, with three firm expressions of interest in respect of Beechdale, New Invention and Rushall libraries. There are potential book exchanges coming forward for South Walsall and Pleck which came later in the consultation period so are not as advanced at this stage.
- Pleck library to be retained subject to a pilot of Open+ technology during 16/17 ahead of the proposed wider use of Open+ technology in 2017/18.
- Retention of one mobile library with a revised route and timetable where there is a demonstrable need for the service. This route will be subject to further consultation.

- An additional book exchange to be provided at Bloxwich Active Living Centre to mitigate the potential pressure on Bloxwich library and to also complement the new Active Living investment.

**Policy proposal Ref 184:** Establish a charitable body to deliver welfare advice and support and withdraw grant to the Walsall Citizens Advice Bureau for welfare advice, has been amended as follows;

- The reduction in CAB funding for 2016/17 will only be £50,000. The reshaping of the provision of welfare support and advice will be the subject of further work with voluntary sector partners including the CAB. This work will help identify where in the system 2017/18 savings are made.

g) The remaining policy proposals to be approved as originally set out.

- 1.5. Table 1 on the following pages provides a quick reference list of all policy proposals, the overall opinion following consultation, outcomes from EqlAs where completed and Cabinet's decision.
- 1.6. Single statements indicate the general overall opinion on each proposal whether: 'Support', 'Against' or 'Inconclusive / opinion divided'.
- 1.7. Some proposals involve savings that commence in 2017/18 (year 2) for which further consultation activity will take place in 2016 and are therefore referenced N/A. Some proposals did not require an EqlA and are also referenced N/A. See section 1.4 of this annex for a breakdown of proposals and their status.
- 1.8. The summaries provided in section 3 outline in more detail the findings from consultation and EqlAs for year one policy proposals that involved consultation. The summaries include a concluding statement from the council along with the overall decision.

**Table 1. Draft Budget Policy Proposals 2016/17 and 2017/18 - Quick reference table**

Portfolio	Saving ref number	Savings option	Year 1 2016/17	Year 2 2017/18	EqlA decision A-D or not required (N/A)	Overall opinion following consultation	Cabinet decision
CARE AND SAFEGUARDING	<b>7</b>	Increased investment in adult social care from the Better Care Fund	£750,000	£500,000	<b>A</b>	Support	Approve
CARE AND SAFEGUARDING	<b>9</b>	Reduction in adult social care commissioning budgets for older people	£2,000,000	£3,000,000	<b>B</b>	N/A	Approve
CARE AND SAFEGUARDING	<b>11</b>	Good practice reviews of clients with complex needs within adult social care	£250,000	£250,000	<b>B</b>	N/A	Approve
CARE AND SAFEGUARDING	<b>12</b>	Housing 21 contract review	£0	£2,437	No approval required at this stage as year 2 proposal subject to further consultation		
CARE AND SAFEGUARDING	<b>13</b>	Review Special Educational Needs (SEN) Transport packages	£250,000	£225,000	<b>B</b>	Support	Approve

Portfolio	Saving ref number	Savings option	Year 1 2016/17	Year 2 2017/18	EqIA decision A-D or not required (N/A)	Overall opinion following consultation	Cabinet decision
CARE AND SAFEGUARDING	14	Review and reduce Special Educational Needs & Disabilities (SEND) short breaks services	£150,000	£130,000	Provisional B	Against	Extended consultation
CARE AND SAFEGUARDING	18	Establish a pool of Foster Care Plus carers	£52,572	£105,144	N/A	Inconclusive	Approve
CARE AND SAFEGUARDING	24 / 26 / 179	Invest to save: Reduce the demand for statutory intervention and the numbers and cost associated with looked after children caused by the impact of the 'toxic trio' (domestic abuse, parental substance misuse & parental mental ill health). Linked with operational proposals 26 and 179. <b>TOXIC TRIO</b>	£30,000	£114,143 £187,967	N/A	Support	No approval required at this stage as year 2 proposal subject to further consultation  Linked to 179 yr 1 operational savings
CARE AND SAFEGUARDING	25	Through an integrated early intervention and prevention approach reduce residential and nursing care admissions.	£0	£250,000	No approval required at this stage as year 2 proposal subject to further consultation		

Portfolio	Saving ref number	Savings option	Year 1 2016/17	Year 2 2017/18	EqlA decision A-D or not required (N/A)	Overall opinion following consultation	Cabinet decision
CARE AND SAFEGUARDING	28	Increase of the community based charging policy to charge 100% of client's disposable income (current policy charges 90% of disposable income)	£350,000	£0	B	Against	Approve
CARE AND SAFEGUARDING	29	Review mental health clients with a Section 117 aftercare status, with the aim of enabling these clients to be released from medical specialist oversight and thereby charged for social care service provided	£50,000	£0	B	N/A	Approve
CARE AND SAFEGUARDING	31	Children's Centres redesign (FYE of 2015/16)	£500,000	£0	Already implemented		
CARE AND SAFEGUARDING	32	Reduce Looked After Children cost pressures through investment in voluntary organisations	£41,419	£82,838	N/A	N/A	Approve
CARE AND SAFEGUARDING	33	Review of complex needs contracts	£238,580	£0	Linked to 11	Linked to 11	Approve
CARE AND SAFEGUARDING	44	Adult social care, employment and day opportunities review	£1,192,306	£0	Separate Cabinet report 3 February 2016		



Portfolio	Saving ref number	Savings option	Year 1 2016/17	Year 2 2017/18	EqlA decision A-D or not required (N/A)	Overall opinion following consultation	Cabinet decision
CLEAN AND GREEN	54	Reduction on domestic waste collection costs based on alternative weekly collection	£520,500	£460,500	Approved by Cabinet 16 December 2015		
CLEAN AND GREEN	63	Reduction of the frequency of grass cutting on highway verges.	£225,000	£0	N/A	Support	Approve
CLEAN AND GREEN	66	Reduction in street cleansing service.	£150,000	£0	N/A	Divided	Approve
COMMUNITY, LEISURE AND CULTURE	72	Reduced opening hours at the New Art Gallery.	£19,360	£0	A	Divided	Replace with alternative saving
COMMUNITY, LEISURE AND CULTURE	74	Consider closure of seven libraries across the borough and mobile library service.	£328,854	£159,058	C	Against	Amended saving. Reducing year 1 saving by £145,845
COMMUNITY, LEISURE AND CULTURE	75	Implementation of Open+ technology in retained libraries to support opening hours and enable the more efficient deployment of staff.	£0	£349,813	No approval required at this stage as year 2 proposal subject to further consultation		

Portfolio	Saving ref number	Savings option	Year 1 2016/17	Year 2 2017/18	EqIA decision A-D or not required (N/A)	Overall opinion following consultation	Cabinet decision
COMMUNITY, LEISURE AND CULTURE	<b>80</b>	Area Management Review	£100,000	£100,000	<b>B</b>	Support	Approve and recommend disestablishment of Area Panels to Council.
COMMUNITY, LEISURE AND CULTURE	<b>83</b>	Introduce a British Citizenship application checking fee.	£2,000	£0	N/A	N/A	Approve
COMMUNITY, LEISURE AND CULTURE	<b>86</b>	Provide an income stream from the use of the environmental levy	£100,000	£0	N/A	N/A	Approve
COMMUNITY, LEISURE AND CULTURE	<b>91</b>	Amended governance arrangements for sports and leisure services	£0	£522,195	No approval required at this stage as year 2 proposal subject to further consultation		
ECONOMY, INFRASTRUCTURE AND DEVELOPMENT	<b>109</b>	Consider reducing the maintenance of Council car parks.	£15,000	£0	N/A	Divided	Approve
ECONOMY, INFRASTRUCTURE AND DEVELOPMENT	<b>110</b>	Consider reducing routine highways maintenance 10%	£90,000	£0	N/A	Against	Approve

Portfolio	Saving ref number	Savings option	Year 1 2016/17	Year 2 2017/18	EqIA decision A-D or not required (N/A)	Overall opinion following consultation	Cabinet decision
ECONOMY, INFRASTRUCTURE AND DEVELOPMENT	111	Markets service to become self sufficient	£0	£20,000	No approval required at this stage as year 2 proposal subject to further consultation		
ECONOMY, INFRASTRUCTURE AND DEVELOPMENT	116	Capitalise the remainder of the structural highways maintenance budget.	£247,904	£0	N/A	N/A	Approve
ECONOMY, INFRASTRUCTURE AND DEVELOPMENT	117	Capitalise the budget for maintaining roads that were previously trunk roads.	£112,841	£0	N/A	N/A	Approve
ECONOMY, INFRASTRUCTURE AND DEVELOPMENT	119	Increase the charge for district markets by £5 a stall.	£44,200	£0	N/A	Divided	Approve
ECONOMY, INFRASTRUCTURE AND DEVELOPMENT	120	Capitalise the remaining revenue elements of the salary costs of 4 employees in the highways maintenance team.	£50,000	£0	N/A	N/A	Approve

Portfolio	Saving ref number	Savings option	Year 1 2016/17	Year 2 2017/18	EqIA decision A-D or not required (N/A)	Overall opinion following consultation	Cabinet decision
ECONOMY, INFRASTRUCTURE AND DEVELOPMENT	121	Parking Services – revised tariff structure for on street pay and display parking.	£25,000	£0	N/A	Divided	Approve
LEARNING SKILLS AND APPRENTICESHIPS	145	Redesign of targeted youth work FYE of 2015/16 (Oct 2015)	£580,000	£0	Approved by Cabinet in October 2015		
CARE AND SAFEGUARDING	148	Continue to review play and stay service	£0	£110,000	No approval required at this stage as year 2 proposal subject to further consultation		
LEARNING SKILLS AND APPRENTICESHIPS	149	Consider ceasing to provide the toy library service and distribute existing stock across Children's Centres and organisations working with and on behalf of the council	£45,548	£0	B	Against	Approve to cease direct provision of service by the council and continue to consult on alternative arrangements for delivery.
LEARNING SKILLS AND APPRENTICESHIPS	150	Consider ceasing the youth opinions unite service	£77,000	£0	C	Against	Approve

Portfolio	Saving ref number	Savings option	Year 1 2016/17	Year 2 2017/18	EqlA decision A-D or not required (N/A)	Overall opinion following consultation	Cabinet decision
LEARNING SKILLS AND APPRENTICESHIPS	151	Continue to review targeted youth work (TYW)	£0	£266,500	No approval required at this stage as year 2 proposal subject to further consultation		
LEARNING SKILLS AND APPRENTICESHIPS	152 / 163	Continue to review information, advice and guidance (IAG) service 152 merged with operational proposal 163.	£418,000	£0	C	Against	Approve
PUBLIC HEALTH AND WELLBEING	175	Lifestyles Services - Procure a more integrated model of service delivery	£260,000	£0	A	Support	Approve subject to a procurement exercise.
PUBLIC HEALTH AND WELLBEING	177	Reduction in public health in schools	£79,000	£225,000	No approval required at this stage for year 2 proposal as subject to further consultation. Year 1 saving achieved through existing under spend in the service.		
PUBLIC HEALTH AND WELLBEING	178	Recommissioning of 0-5 years service 'Healthy Child'	£15,000	£400,000	No approval required at this stage for year 2 proposal as subject to further consultation. Year 1 saving achieved through general efficiencies (ref 183)		

Portfolio	Saving ref number	Savings option	Year 1 2016/17	Year 2 2017/18	EqlA decision A-D or not required (N/A)	Overall opinion following consultation	Cabinet decision
SHARED SERVICES AND PROCUREMENT	184 / 180	Establish a charitable body to deliver welfare advice and support and withdraw grant to the Walsall Citizens Advice Bureau (CAB) for welfare advice - linked with operational proposal 180	£40,000 £100,000	£75,000 £387,290	B	Divided	2016/17 funding reduced by £50,000 in relation to funding for CAB
SHARED SERVICES AND PROCUREMENT	185	Review council tax reduction scheme	£0	£1,613,669	No approval required at this stage as year 2 proposal subject to further consultation.		
		TOTAL	£9,500,084				

**EqlA decision:** A - No major change required, B - Adjustments needed to remove barriers or to better promote equality, C - Continue despite possible adverse impact, D - Stop and rethink the proposal, N/A - Not applicable.

## **2. Background**

- 2.1. There is the need to deliver revenue savings of £25.37m in 2016/17. Draft revenue proposals of around £15.87m are considered to have minimal impact on front line service provision, and cover the following:
- Review of senior management and administration
  - Review and reduction of back office and support functions
  - Use of a reduced number of agency staff
  - Reduction in general operational costs
  - Review of building related costs including energy consumption
  - General efficiencies
  - Grant funding and income opportunities
  - Review of procurement of council expenditure and contracted services.
- 2.2. Draft policy savings proposals of £9.5m have a direct impact on services and were referred for public consultation.

### **Approach to consultation**

- 2.3. Each year Walsall Council undertakes public consultation in preparation for the budget setting process. Residents and other key stakeholders were invited to have their say on service change related draft budget policy proposals for 2016/17 and 2017/18 where applicable.
- 2.4. On 28 October 2015 Cabinet published its draft budget proposals for 2016/17 and 2017/18 with consultation taking place between 29 October 2015 and 4 January 2016. Consultation focussed on the draft policy proposals as these had a potential or actual impact on customers or service users. Information on the draft proposals was made available in the October 2015 Cabinet report and on the council's website [www.walsall.gov.uk/budgethaveyoursay](http://www.walsall.gov.uk/budgethaveyoursay) as well as directly through service led consultation.
- 2.5. Our approach to consultation has involved a wide range of methods involving the collection of both quantitative data via surveys (providing numbers and %s) and qualitative data via dialogue (providing rich detailed information). Through this approach a rich understanding of views has been possible. Services developed and followed detailed consultation plans.
- 2.6. Some specific groups or communities were directly targeted in the consultation e.g. disabled groups, children and young people and service users, however research was largely conducted on the basis of 'self selection' where people could respond to surveys online, pick up paper copies of questionnaires, or choose to attend meetings / focus groups.
- 2.7. Whilst this inclusive approach gives everyone and anyone the opportunity to respond, the lack of control over who responds / participates has the potential to introduce bias. We are able to reduce this bias by using a wide range of mechanisms, methods and channels to gather feedback and through achieving

as large a response as possible. Overall, in excess of 8,000 people have responded to the consultation<sup>1</sup>.

- 2.8 The findings therefore provide a broad view of opinion of *those people who responded*. It is not intended to be statistically representative. Because random sampling was not used the results (apart from those gathered in the alternate weekly waste collection postal survey), cannot be generalised to the wider population. This should be borne in mind when interpreting the findings.
- 2.9 All feedback received has been collated, analysed and considered as part of the consultation process and used to inform equality impact assessments with findings being used to inform the decision making process.

### **Petitions received**

- 2.10 A number of petitions were received, specifically:

**Ref 44:** *Petition against the closing of adult services at Moxley Peoples Centre.* Contains 436 signatures. Submitted to Democratic Services on 24/11/15 by Cllr C. Bott. Considered by Executive Director for Adult Social Care and Inclusion with a response made via a face to face meeting with Cllr Bott.

**Ref 74:** *Petition to stop the closure of Pleck Library as stated in council budget consultation 2015 (Save Pleck library).*

Contains over 1,500 signatures. Presented at Council 11/1/16 by Cllr Anson. An item will be added to the agenda for Council on 25 February 2016.

**Ref 74:** *"We the undersigned call on Walsall Council to reconsider the proposal to remove the library service from New Invention. We also call on the council to continue to provide a library service in the community and work with residents to maintain this vital service."*

Contains over 900 signatures. Submitted at Cabinet on 16/12/15 by Cllr Hicken. Due to be considered by Scrutiny on 21 January 2016.

**Ref 74: E-petition** *"The New Invention Library is at the heart of our community, situated upon The Square in New Invention. With community groups and job seekers also using the library, it is clear that this is not just another library but provides essential services for our residents. Our library also covers a unique area which no other can provide with reasonable expectation."*

Contains over 40 signatures. Submitted on 17/12/15 by Cllr Hicken. Linked to the petition above, considered by Head of Libraries, Arts and Heritage.

**Ref 119:** *We the undersigned support our labour councillors in calling on the Conservative Administration at Walsall MBC not to increase market charges and safeguard Willenhall market for the future.*

---

<sup>1</sup> Responses to questionnaires including alternate weekly collection postal survey. The number of people spoken to face to face is estimated to be in excess of 1,000.



Contains over 500 signatures. Presented at Council on 11/1/16 by Cllr S Coughlan. Due to be considered by Scrutiny on 8 March 2016.

**Ref 175:** *"We the undersigned respectfully request that Cabinet review their decision to axe free classes run by Walsall Healthcare Lifestyle Services Physical Activities Team on the grounds that the consultation was fundamentally flawed."*

Contains 40 signatures. Submitted at Council on 11/1/16 by Cllr Phillips. Considered by Executive Director for Economy and Environment with a response pending at the time of reporting.

### **Other feedback**

2.11 A detailed report titled 'Report on the proposal to close Pleck library' was submitted by the friends of Pleck library on 4 January 2016. The report detailed alternative ways the library service could operate in order to achieve savings that would help keep Pleck library from closure. The report is being carefully considered and evaluated by the Head of Libraries, Arts and Heritage.

2.12 Feedback provided in letters and emails has been incorporated into the consultation process for the relevant proposals.

### **Consultation on 2% council tax increase for adult social care**

2.13 In the Government's Autumn spending review in November 2015, it was announced that councils will be allowed to increase council tax by up to additional 2% in order to contribute to shortfalls in adult social care. This increase is in addition to any general increases in council tax the authority may also apply up to the allowable referendum limit (2%).

2.14 The additional 2% increase would be ring fenced and can only be used to fund additional adult social care costs and would raise income of c£1.9m. Adult social care is currently facing on-going budget pressures of c£13m above budget in 2015/16 due to increased demand and changes in demographics and cost of care.

2.15 Non Domestic Rate Payers (NDRP) and community and voluntary organisations were consulted on the 2% precept for adult social care. Two responses were received, both supporting the introduction of the 2% council tax for adult social care.

2.16 In early January 2016 a letter, which explained the 2% and included information detailing the effect it would have on council tax bands, was distributed electronically to c5,000 businesses and c800 community and voluntary organisations throughout the borough.

2.17 At the time of reporting, with the closing date being 28 January 2016, one business had responded with no community and voluntary organisations responding. One member of the public gave their views.

2.18 All respondents agreed with the introduction of the 2% precept for adult social care.

*"2% fine."* Walsall Business

*"We totally support the additional increase in Council Tax of 2% over and above the 1.99% particularly as it will be ring fenced for adult social care. Care has to be paid for somehow and if that means we all have to pay a small amount more in Council Tax then we are all for it.*

*It also avoids the need for a referendum, which is a costly exercise. However this additional 2% must go into Adult Social Care on top of their existing budget not use existing budgets to subsidise other services.*

*With a rapidly expanding elderly population, adult social care has increasing demands daily. Good balanced care packages particularly for the elderly can minimise hospital admissions and ultimately led to savings for us all in terms of the NHS."* Member of the public.

### **3 Findings from consultation and EqlAs**

The summaries provided in this section outline in more detail the findings from consultation and EqlAs for each draft policy proposal, together with Cabinet's response and intended decision. This information should be reviewed alongside the detailed EqlAs and other supporting information. Table 1 in section 1 of this annex provides a quick reference list of policy proposals, headline results and decision.

## Evidence, Engagement and Consultation Summary

Evidence, Engagement and Consultation Summary			
Ref no.	7	Title	Increased investment in adult social care from the Better Care Fund
Description of proposal			
<p>The Better Care Fund (BCF) is a government policy initiative whereby funding that was already within the Council and the NHS has been pooled together in a single fund to be spent locally on the integration of health and social care services and improve outcomes for patients and service users. Multi-disciplinary teams of health and social care professionals are identifying older people at risk of being admitted to hospital or to a care home and providing support that enables them to remain at home.</p> <p>There had been a small element of growth from the government in the fund which went to social care (£1m) and the contingency (£1.05m) went to the acute sector. The plan is to release funding currently being used to pay for hospital services relating to older people being admitted in an emergency, by reducing the number of emergency hospital admissions. If this is successful over the four year period, then it should be possible to use some of the funding to pay for social care services and develop community capacity to prevent hospital and care home admissions.</p>			
Estimated Net Saving			
2016 / 2017	2017 / 2018	Implementation / Investment cost	
£750,0000	£500,000	£0	
Summary of evidence, engagement and consultation			
<p>At the December 2015 meeting of the Joint Commissioning Committee, with representatives from Walsall Council Social Care &amp; Inclusion, Walsall Clinical Commissioning Group and General Practitioners from Walsall Practices, considered the proposal. There was general consensus that the Better Care Fund should continue in 2016/17. The government has confirmed the same BCF funding for Walsall for 2016/17 as 2015/16, with modified targets. Subject to approvals via the Health and Wellbeing Board BCF proposals will seek the shift towards community services for health and social care.</p> <p>There is no evidence that indicates any potential impact for people with protected characteristics.</p>			

<b>Overall opinion from engagement and consultation</b>	
	Respondents generally support this proposal, although a very limited response was received.
<b>Justifiable action from the evidence, engagement and consultation suggested in the Equality Impact Assessment.</b>	
	A - No major change required
<b>Mitigating actions required, if proposal approved</b>	
Not applicable.	
<b>People potentially negatively affected, if proposal approved</b>	
Not applicable.	
<p><b>Response from Walsall Council on Proposal Ref 7</b></p> <p>Supporting older people to remain independent at home instead of being admitted to hospital or to a care home matches the core aim of promoting health and well being of the Health and Wellbeing Board overseeing this pooled budget, and the commissioners' compliance with the Care Act.</p> <p>The BCF is aimed at shifting the focus of investment in health and social care for those with long term conditions (mainly older people) away from institutional (hospital and care home) services to community based services that support them in their own homes.</p> <p>Any additional funding that is aligned in the way proposed would require the endorsement of the Health and Wellbeing Board with recommendations to the Council Cabinet and Governing Body of Walsall Clinical Commissioning Group. Government guidance on the Better Care Fund is overdue, but anticipated by 31 January 2016.</p> <p><b>Cabinet intend to approve this proposal.</b></p>	

## Evidence, Engagement and Consultation Summary

Ref no.	9 / 11 / 29	Title	Ref 9: Reduction in adult social care commissioning budgets for older people.  Ref 11: Good practice reviews of clients with complex needs within adult social care.  Ref 29: Review of mental health clients with a section 117 aftercare status, with the aim of enabling these clients to be released from medical specialist oversight and thereby charged for social care service provided.
Description of proposal			
<p>The proposed savings will be made via good practice, Care Act compliant “attachment based” review which is an holistic assessment looking at need and the response to that need, with a focus on the use of personal and community support, low level services or more cost effective commissioning providing better outcomes closer to home.</p> <p>In line with the Care Act 2014 each service user will be reviewed against the new national eligibility criteria leading to a review of their support plans. Going forwards some users may be non-eligible, or, because of an improvement in their situation, their needs may have changed leading to an end or reduction to their support plan. Others may find that their needs have changed leading to an increase in their support plan.</p>			
Estimated Net Saving			
2016 / 2017		2017 / 2018	Implementation / Investment cost
Ref: 9 £2,000,000		£3,000,000	£80,000
Ref 11: £250,000		£250,000	
Ref 29: 50,000		£0	
Summary of evidence, engagement and consultation			
<p>The good practice reviews will be needs led individual assessments with service users and therefore overall consultation and engagement is not relevant as the effect upon each user will depend upon their needs, circumstances, income and circles of support.</p> <p>Each person will have an individual review which will look at every aspect of their life. These will be plotted across a year.</p>			

<b>Overall opinion from engagement and consultation</b>	
	Not applicable
<b>Justifiable action from the evidence, engagement and consultation suggested in the Equality Impact Assessment.</b>	
	B - Adjustments needed to remove barriers or to better promote equality
<b>Mitigating actions required, if proposal approved</b>	
Service users who are older people or have a disability may find themselves non-eligible, but not because of their age or disability but their level of need. However there may be a negative group perception. The provision of good quality information will mitigate this if the proposal is approved.	
<b>People potentially negatively affected, if proposal approved</b>	
<b>None</b>	
<b>Response from Walsall Council on Proposal Ref</b>	
As indicated this proposal reflects the introduction of new legislation and the encompassing of best practice. All those affected by changes in eligibility will be supported by a transitional plan, following the review process to mitigate any negative perceptions and impacts of the change. Users and their carers will be encouraged to access support from independent advocates and ensure access to complaints and appeals is available.	
<b>Cabinet intend to approve this proposal.</b>	

## Evidence, Engagement and Consultation Summary

Ref no.	13	Title	Review Special Educational Needs (SEN) Transport Packages
Description of proposal			
<p>SEN Home – School Transport Service is a statutory service that provides 660 SEN children with daily school transport. This is through a framework of 45 transport companies who have met specific standards to transport SEN children. All costs are calculated by distance &amp; vehicle type based on prices submitted by Providers at the start of the Framework. This Framework expires in September 2017.</p> <p>Further to a full year effect of £75,000 arising from the 2015 / 16 budget approved by Council in February 2015, it is proposed that £250,000 can be saved in year 2016 / 17:</p>			
a - £51k	reduction in Out of Borough LAC school transport		
b - £46k	reduction through local route optimization		
c - £78k	reduction in council-funded care cost		
£175k	Total		
<p>It is proposed that £225,000 can be saved in year 2017 / 18:</p>			
a - £70k	re-commissioning of transport and escort contracts		
b - £30k	reduction through local route optimization		
c - £55k	reduction from mileage/lump sum payment to parents in lieu of transport		
d - £30k	reduction from consideration of supervised cycling to school initiative		
e - £40k	reduction from consideration of supervised walk to school initiative		
£225k	Total		
Estimated Net Saving			
2016 / 2017	2017 / 2018	Implementation / Investment cost	
£250,000	£225,000	£0	

## Summary of evidence, engagement and consultation

Three types of public engagement was carried out:

- i. Letters and questionnaires sent to service-users
- ii. Open stakeholder and service user surgeries and questionnaires
- iii. Attendance at Specific Interest Groups to facilitate participation

In summary, responses were very limited and no outward objections were raised concerning the SEN Transport savings proposals. Parents were re-assured that eligible children would still receive free school transport despite any savings made as this is a statutory duty.

Two parents were concerned about losing respite transport should there be a reduction in transport to respite overnight facility as this is not a statutory duty. It was clarified that the Cabinet already agreed in February 2015 that respite transport would not be provided unless there was a welfare need to do so.

Table top discussions in the open meetings showed concern about both cycling and walking initiatives as disabled children mainly could not do this type of activity so easily.

Although short break budget cuts were the main area of discussion, SEN Transport saving proposals were discussed by Council Officers at all public sessions. Parents / Carers felt they would consider reasonable changes to transport methods as long as children continued to be transported to school.

There is no evidence that indicates any potential impact for people with protected characteristics.

## Overall opinion from engagement and consultation

Respondents generally support this proposal, although the response rate during face-to-face public meetings was very low.

## Justifiable action from the evidence, engagement and consultation suggested in the Equality Impact Assessment.

B – Adjustments needed to remove barriers or to better promote equality.

## Mitigating actions required, if proposal approved

- Optimization of SEN Transport arrangements will be considered on a case by case basis. Children will be re-assessed to determine what type of transport arrangement is safe, suitable and economical.
- The savings proposed from the reduction of SEN Transport budget will be monitored to determine target reach / timescales and any unforeseen impact.



<b>People potentially negatively affected, if proposal approved</b>
None – all eligible children <b>WILL</b> be transported safely to school regardless of savings plan.
<b>Response from Walsall Council on Proposal Ref 13</b> There are no policy changes in this proposal. All savings proposed are based on: <ul style="list-style-type: none"><li>a. route optimization.</li><li>b. introducing alternative transport arrangements.</li><li>c. offering financial reimbursement to parents to transport their own children.</li><li>d. maintaining a strict adherence to existing policy as to who is / is not eligible for free transport, excepting safeguarding / welfare-evidenced cases.</li></ul> <b>In view of these considerations, it is intended that the proposed reduction in SEN Transport be approved.</b>

## Evidence, Engagement and Consultation Summary

Ref no.	14	Title	Review and reduce Special Educational Needs & Disabilities (SEND) short break services
Description of proposal			
<p>This draft budget proposal includes plans to reduce spend on Short Breaks by £410,000 over three years from April 2016, with £150,000 to be saved in the first year (2015-16). The draft proposal identified three areas for savings:</p> <p>(a) <b>Disability Living Allowance (DLA) equivalent reduction – 50% or 70%</b> The equivalent of 50% or 70% of the weekly medium rate of DLA would be reduced from social care short breaks payments. 50% would be approximately the equivalent of two hours of carer time per week, with 70% approximately the equivalent of 3 hours of carer time. This means, following a financial assessment, parents/carers would have to make up the shortfall towards the cost of care.</p> <p>(b) <b>10% reduction in spend on Short Breaks Groups</b> A reduction of 10% of the spend on Short Breaks Groups in the first year with further savings of 5% in each of the two following years.</p> <p>(c) <b>Introduction of Needs Assessment Banding</b> Introduction of an eligibility ‘banding’ policy, similar to that used in adult social care.</p>			
Estimated Net Saving			
2016 / 2017	2017 / 2018	Implementation / Investment cost	
£150,000	£130,000	£0	
Summary of evidence, engagement and consultation			
<p>A range of methods were used to engage service users and stakeholders including; meetings and drop in sessions with stakeholders / service users and a postal questionnaire sent to all short break service users.</p> <p>Just 32 people responded to the questionnaire. Most respondents (24) disagree with the proposal that parents / carers should use Disability Living Allowance (DLA) to contribute towards the cost of Short Breaks Services their child receives and feel that parents / carers should not be asked to contribute anything from Disability Living Allowance (DLA) towards the cost of Short Breaks.</p> <p>Most respondents felt that either a 50% or a 70% contribution would have a significant impact on them and their child.</p> <p>Many comments from parent/carers noted the financial impact the proposal would have on them and that this may mean they cannot afford to access certain services, activities or the purchase of equipment. Comments also refer to the mental and emotional impact on children and them as parents/carers.</p>			

<b>Overall opinion from engagement and consultation</b>	
	Unknown as more evidence, consultation and engagement required.
<b>Justifiable action from the evidence, engagement and consultation suggested in the Equality Impact Assessment.</b>	
	B - Adjustments needed to remove barriers or to better promote equality
<b>Mitigating actions required, if proposal agreed</b>	
Further and more detailed engagement and consultation and to provide more detail on what is being considered and the different impact that the proposed changes may have on children, young people and families.	
<b>People potentially negatively affected, if proposal approved</b>	
Unknown as more evidence, consultation and engagement required.	
<b>Response from Walsall Council on Proposal Ref 14</b>	
<p>Given the strength of feeling against taking 50% or 70% of the weekly medium rate of DLA from social care short breaks payments, and the financial impact this may have on families, this element of the proposal has been withdrawn.</p> <p>At the time of consultation, detailed information about how the 10% reduction in short breaks would be achieved and details about the bandings were unavailable. Furthermore, the low attendance at drop in sessions and meetings and the low response to the questionnaire, means the decision has been taken to conduct more detailed engagement and consultation on these elements of the proposal. The purpose of this consultation is to provide more information on what is being considered and to fully understand the different impacts the proposed changes may have on children, young people and their families. Consultation will take place between February to April 2016, and if approved the proposal would be implemented in July 2016.</p> <p><b>Cabinet will be withdrawing the element of this proposal related to DLA.</b></p> <p><b>Review of special educational needs and disabilities (SEND) short breaks services involves an extended consultation period so that additional consultation may be conducted with a view to implementing the proposal in July 2016. This will require Cabinet to delegate authority to the Executive Director in consultation with the Portfolio Holder and the Leader of the Council to implement any revisions as a result of consultation.</b></p>	

## Evidence, Engagement and Consultation Summary

Ref no.	18	Title	Establish a Pool of Foster Care Plus Carers
Description of proposal			
The proposal is to establish a pool of carers who will be known as Foster Care Plus carers. These carers will be able to care for complex young people who would otherwise be placed in expensive external residential placements or specialist independent foster placements.			
Estimated Net Saving			
2016 / 2017	2017 / 2018	Implementation / Investment cost	
£52,572	£105,144	£0	
Summary of evidence, engagement and consultation			
<p>In November 2015, a provider event was held to engage with partner agencies. Partners were introduced to the concept of Foster Care Plus. Comments received were as follows:</p> <ul style="list-style-type: none"><li>• Respondents felt that such provision already exists in the private sector, and that this proposal will not offer anything new.</li><li>• Respondents also expressed the need for Walsall to decide if this is a short term intervention strategy or a potential permanence option.</li><li>• Based on the experience of independent fostering providers, the feedback was that you can pay carers as much as you like, but if the support available is not robust and 24 hours a day, it won't work.</li></ul> <p>Also in November 2015, a foster carer consultation event took place where carers were consulted on the proposal for Foster Care Plus. Comments received from carers were as follows:</p> <ul style="list-style-type: none"><li>• Caring for complex young people will take its toll on carers, foster carers identified that there needs to be adequate support in place 24 hours a day.</li><li>• Foster carers felt that there is limited support for carers now especially as the input from therapeutic services has ceased. The question was asked for how carers are expected to manage without therapeutic intervention?</li><li>• Foster carers identified that Independent Fostering Providers are also refusing complex children and that's why some go to external residential provision, so how are Walsall foster carers expected to manage?</li><li>• Although Walsall could pay very attractive enhanced allowances, it was felt that this would not make up for the need for intense on-going support when fostering children with complex needs.</li></ul>			

- Some asked about the length of placements and what would happen if a placement that starts as a short-term arrangement develops into something long-term; would enhanced allowances be paid for the duration of the placement? If allowances are reduced, how are carers supposed to manage financially especially if they gave up a job to do this?

During December 2015, feedback was also sought from other local authorities who have a similar scheme to Foster Care Plus. The general consensus is that a provision such as this will only be successful if there is a robust 24 hour offer of support which must include intense therapeutic support to placements for both the carers and for the young people. Some schemes have a whole team supporting carers, such as the schemes run by Solihull, Dudley and Ealing Borough Council. This creates the notion of the 'team around the child'.

It is clear from the feedback received that the main barrier to implementation of this proposal is the lack of available therapeutic services for carers or young people. Without this, it is highly unlikely a scheme such as this will be successful and will not improve on outcomes for Looked after Children. As a result consultation will be undertaken with Wolverhampton City Council who are also trying to implement such a scheme. Wolverhampton City Council have been successful in securing funding to provide a separate therapeutic service for specialist foster carers and there are likely to be potential benefits for both local authorities if this provision was shared.

All current level 4 foster carers have been asked to express if they are interested in exploring Foster Care Plus. Those interested will be invited to attend an information session in January 2015.

A full equality impact assessment is not required because the impact on individual children and young people can only be assessed either upon the placement of a new looked after child in a foster care plus situation or at the point of a placement change if we were to move a child from an external provision to a foster Care plus placement.

There is no evidence to date of any impact on people with protected characteristics.

#### **Overall opinion from engagement and consultation**

Overall opinion on this proposal is inconclusive. It is likely the scheme will only be successful if robust therapeutic support is available for foster carers. This is not currently available.

#### **Justifiable action from the evidence, engagement and consultation suggested in the Equality Impact Assessment.**

Not applicable.

#### **Mitigating actions required, if proposal approved**

Not applicable.

#### **People potentially negatively affected, if proposal approved**

Not applicable.

**Response from Walsall Council on Proposal Ref 18**

Generally, people are open to the idea of foster care plus providing adequate support and therapeutic services are available. The council is in consultation with a neighbouring authority to explore the possibility of sharing therapeutic services.

If the savings are unable to be achieved through the successful implementation of foster care plus, they will be made through ensuring that foster care recruitment brings in additional placements for children and young people to reduce the use of independent fostering agency placements.

**In view of these considerations, Cabinet intend to approve this proposal and achieve the savings by implementing foster care plus or increasing foster care recruitment.**

## Evidence, Engagement and Consultation Summary

Ref no.	28	Title	Increase of the community based charging policy to charge 100% of client's disposable income (current policy charges 90% of disposable income)
Description of proposal			
<p>Increase of the community based charging policy to charge 100% of client's disposable income (the current policy charges 90% of disposable income), up to a maximum of the actual cost of services delivered.</p> <p>This proposal would reduce the level of disposable income that individuals have available to meet their non-care costs.</p>			
Estimated Net Saving			
2016 / 2017	2017 / 2018	Implementation / Investment cost	
£350,000	£0	£0	
Summary of evidence, engagement and consultation			
<p>The consultation shows that the majority of people are not in favour of the proposal (69% disagreed with the proposal with over half of these strongly disagreeing with the proposal) and the majority of respondents (59%) felt that the proposal would make things a lot harder for them. Of those contributing to the consultation there were a greater number (62%) of people who were single that believed this would make things harder for them. Similarly younger people were more likely to indicate this would be harder for them (77% of 18-34 yrs). Minority Ethnic respondents were also more likely to say they would find things a lot harder (72%), compared to 57% of white respondents.</p> <p>Exactly what people may have to pay depends on individual circumstances which are taken in to account following a financial assessment. In working out individual contributions, the Council must make sure that people are left with enough money for everyday things. This is called 'minimum income guarantee' and it aims to make sure people can meet every day expenses. The Council must also allow for the money you have to spend on living with your disability before they charge you. This may include some of the costs of your heating, laundry, transport, special clothing or shoes, home equipment and paying a personal assistant. This is called disability related expenditure. Anything above this amount is called 'disposable income'.</p> <p>Whilst the consultation indicates people's perception is that they will find this harder, this will not be known until the calculations take place on an individual basis.</p>			

<b>Overall opinion from engagement and consultation</b>	
	Respondents are generally against this proposal.
<b>Justifiable action from the evidence, engagement and consultation suggested in the Equality Impact Assessment.</b>	
	B - Adjustments needed to remove barriers or to better promote equality
<b>Mitigating actions required, if proposal approved</b>	
<p>We will continue to ensure that the Council's Charging Policy is implemented fairly. This is based on a financial assessment to determine what individuals can afford to pay.</p> <p>We will monitor the impact of the policy on service users, in particular the impact on the protected characteristic groups identified above to determine if there are any further actions required.</p>	
<b>People potentially negatively affected, if proposal approved</b>	
<p>The consultation results indicate that the perception of those responding in some protected characteristic groups is that they will find it harder. (Single People, Younger people 18-34, Minority Ethnic respondents) However the actual impact cannot be understood until a financial assessment has been undertaken.</p>	
<b>Response from Walsall Council on Proposal Ref 28</b>	
<p>In order to continue to ensure that Social Care provide levels of support in line with the assessed need for a person, the introduction of an increased disposable income level will contribute to the net revenue budget reduction delivery. People will have to pay a little bit more towards the cost of the care they receive. Exactly what people may have to pay depends on individual circumstances which are taken in to account following a financial assessment.</p> <p><b>In view of these considerations it is intended that the proposed increase in disposable income percentage from 90% to 100% be approved.</b></p>	



## Evidence, Engagement and Consultation Summary

Ref no.	63	Title	Reduction of the frequency of grass cutting on highway verges
Description of proposal			
<p>Proposed reduction in the frequency of highway verge maintenance during the summer season between April and October. The frequency will be reduced from fortnightly to three weekly to around three to four weekly grass cutting frequency.</p> <p>Current frequencies will be maintained for visibility splays and strategic gateways.</p> <p>There will be an impact on the delivery of winter maintenance operations on, for example, shrub borders.</p>			
Estimated Net Saving			
2016 / 2017	2017 / 2018	Implementation / Investment cost	
£225,000	£0	£0	
Summary of evidence, engagement and consultation			
<p>Feedback was gathered through generic consultation processes.</p> <p>Only one comment was received via the short online generic questionnaire. The respondent was fully in support of the proposal.</p> <p>Making Our Choice (learning disability group) was consulted on budget proposals and felt that it was important to make sure the grass verges were looked after properly because if they weren't it could create a hazard for people and may cause accidents.</p> <p>Business Partnerships were consulted on this proposal. Whilst there was some concern that unkempt verges could give visitors to district centres a poor impression, there was general agreement that as long as the main roads and main centres were kept to a reasonable standard and safety wasn't compromised, they could live with a lower level of maintenance in quieter areas. One large retail business (Walsall town centre) suggested that businesses be asked to 'adopt' verges which could be 'meadow planted'.</p> <p>One former local authority horticultural worker aired the view that longer grass to cut would lead to more mess being left behind and more damage to machinery. Also suggesting that we should treat highway verges as wildflower meadows where possible, to stop the need for mowing and to encourage wildlife.</p> <p>There was a suggestion that volunteers could potentially cut some verges.</p> <p>Walsall Friends of the Earth commented that; <i>"a reduction in grass verge cutting could help increase biodiversity so is also welcome. However, the council needs to actively promote this, not just as a budget saving activity, but in terms of its ecological benefits. The council needs to have an active plan to counter the kind of negative press</i></p>			

*coverage that has surrounded this issue in the past.”*

The Birmingham and Black Country Wildlife Trust commented: *“The Trust thinks that the saving set out in 63 (Table 2) is unlikely by itself to produce the potential biodiversity benefits set out in para 2.6 Environment Implications. Regular mowing / cutting will be retained and may well act to prevent species from flowering and setting seed thereby not increasing plant species diversity and may also have a negative impact on pollinators. There is the opportunity of flower-rich meadow-type verge habitats being created by using the technique of species-rich hay strewing as a seed source or seeding in appropriate wild flower seed mixes from local seed sources and modifying the cutting regime. In implementing Birmingham & Black Country Nature Improvement Area meadow creation projects, the Wildlife Trust has expertise in this area and would be pleased to advise further.”*

There is no evidence that indicates any potential impact for people with protected characteristics. The issue has no relevance to equality and it is disproportionate to carry out an EqlA.

#### **Overall opinion from engagement and consultation**

Respondents generally support this proposal; although a limited response was received.

#### **Justifiable action from the evidence, engagement and consultation suggested in the Equality Impact Assessment.**

Not applicable.

#### **Mitigating actions required, if proposal approved**

Not applicable.

#### **People potentially negatively affected, if proposal approved**

Not applicable.

#### **Response from Walsall Council on Proposal Ref 63**

These savings have a minimal impact on the customer. The public consultation highlighted that there is interest in the council investigating wider use of wildflower planting. We will more closely review the use of wildflower/meadow planting and volunteers as a result of this consultation.

**Cabinet intends to approve the proposed reduction in grass cutting - highway verges.**

## Evidence, Engagement and Consultation Summary

Ref no.	66	Title	Reduction in street cleansing service
Description of proposal			
<p>Proposed reduction in street cleansing service involving a reduction in the total number of employees deployed on street cleansing operations from 60 to 54 FTE. This will affect routine cleansing activities with some streets cleansed less frequently than currently. Resources will be focussed on areas of higher deterioration, hot spots and other priority areas.</p> <p>Some areas of the borough will continue to receive a routine service every 12 days or so whilst other areas of lower deterioration rates will result in a service every 36 to 72 days.</p> <p>Fly tip removal, district and town centres, street bins, and bulky item collections will remain unaffected by the proposal.</p>			
Estimated Net Saving			
2016 / 2017	2017 / 2018	Implementation / Investment cost	
£150,000	£0	£0	
Summary of evidence, engagement and consultation			
<p>Only a small number of respondents (4) completed the online survey and they were not in favour of this proposal. Two raised particular concerns about the problem with leaf litter in the Autumn.</p> <p><i>“Drains will get blocked with leaves especially in October/November and suburbs will deteriorate.”</i></p> <p>On consulting the town and district centre business partnerships, many of whom additionally responded as borough residents, there was a general recognition that the Council is trying to maintain levels of cleanliness. However, there is a consistent view across all those responding that cleanliness remains a concern with comments such as:</p> <p><i>“Would like to see more bins”</i></p> <p><i>“Overall shopping experience in Walsall is poor because of litter, dog fouling and generally a damn mess. I pay rates - the town is the borough window.”</i></p> <p><i>“I was speaking to the manager of Primark the other day about all the needles and dropped litter; it’s disgusting. There are some excellent businesses in Walsall so the environment exists for good shopping.”</i></p> <p><i>“Businesses need to start taking responsibility to clean in front of their shops”</i></p> <p>Whilst there was concern that town centres would deteriorate, businesses were reassured that efforts would be made to prioritise street cleaning in town and district</p>			

centres. The district centre partnerships seemed markedly more comfortable with the proposal than the Walsall town centre business partnership.

There was a general consensus that education and enforcement would help to improve cleanliness.

*“Need to educate people more on not dropping litter in the first place” and “Start issuing fines; that will cover the costs.”*

Overall, there is no evidence that indicates any potential impact for people with protected characteristics. The issue has no relevance to equality and it is disproportionate to carry out an EqIA.

### **Overall opinion from engagement and consultation**

Overall opinion on this proposal is divided.

### **Justifiable action from the evidence, engagement and consultation suggested in the Equality Impact Assessment.**

Not applicable.

### **Mitigating actions required, if proposal approved**

Not applicable.

### **People potentially negatively affected, if proposal approved**

Not applicable.

### **Response from Walsall Council on Proposal Ref 66**

Although overall opinion on this proposal is divided, it is Cabinet’s view that this proposal would have a minimal impact. The public consultation highlighted that both residents and businesses highly value the street cleansing service.

**In view of these considerations, Cabinet intends to proceed with the proposed reduction in Street Cleansing Service.**

## Evidence, Engagement and Consultation Summary

Ref no.	72	Title	Reduced opening hours at the New Art Gallery
Description of proposal			
The proposal involved closing the New Art Gallery (NAG) to the public on Sundays saving casual staffing costs, and closing one hour earlier than currently (at 4.00pm) Tuesday to Friday, for 20 weeks of the year during winter months October to March.			
Estimated Net Saving			
2016 / 2017	2017 / 2018	Implementation / Investment cost	
£19,360	£0	£0	
Summary of evidence, engagement and consultation			
<p>Between 29 October and 13 December consultation on this proposal was conducted via a questionnaire available to complete in the NAG and also online. By the closing date, 209 people had participated in the consultation.</p> <p>The following results represent the views of those people who responded to the survey and cannot be generalised to the wider population.</p> <p>22% of respondents fully support the proposed changes to the NAG opening hours.</p> <p>39% of respondents do not support the changes and the same proportion (39%) support the proposal but with concerns / amendments.</p>			
<p><u>Comments from those who do not support the proposal (82 people)</u></p> <p>Many people commented that weekend opening is more important than weekdays, especially for families.</p> <p><i>"I think it's very important to keep opening on Sunday to offer family friendly non-commercial activities in Walsall"</i></p> <p><i>"I think the gallery should be open on a Sunday, I think it is good for families."</i></p>			
<p><u>Comments from those who support the proposal (45 people)</u></p> <p>Many of those who support the proposal say changing the opening hours will not affect them.</p> <p><i>"No real impact as I tend to visit on Saturday"</i></p> <p><i>"Would not affect me really. Much better than losing staff or compromising programming excellence."</i></p>			
<p><u>Comments from those who support the proposal but with concerns / amendments (82 people)</u></p> <p>The vast majority of comments call for Sunday opening to be retained and some suggest the opening hours should be reduced on a weekday instead with Tuesdays being frequently mentioned.</p> <p><i>"We feel that closing on Sundays is a big mistake especially in view of the exciting new businesses due to open at the Wharf."</i></p>			

*"Worried about Sunday closure as may be the only day for some visitors."*  
Others feel that closing earlier on a weekday would mean certain groups including children would not be able to visit after school / work.

*"If the gallery closes at 4pm in the week then kids can't really go after school."*

*Would possibly be better to remain open until 5pm but open at 11am."*

When asked for alternative ways to make the saving, there were suggestions of maximising income from an improved gift shop, more franchises like Costa Coffee, seeking sponsorship from large local businesses and generating new income through hosting events, functions and art/craft fayres, art classes and even weddings.

#### Face to face consultation

A small number of face to face conversations took place with visitors to NAG. The majority were not in favour of the proposal. Of those not in favour, some suggested closing on a weekday instead.

#### Other comments

Making Our Choice (learning disability group)

*"I think it is a good idea to close the art gallery on Sundays to save money".*

Comments on the Express and Star website include:

*"Maybe instead of looking to close the gallery maybe there should be a little bit more done in terms of advertising it. More people through the gates – greater income in the little shop, greater donations etc. etc. As it is they will seek to close on a day when most working people could actually go."*

### **Overall opinion from engagement and consultation**

Overall opinion on this proposal is divided.

### **Justifiable action from the evidence, engagement and consultation suggested in the Equality Impact Assessment.**

A – No major changes required.

### **Mitigating actions required, if proposal approved**

Not Applicable.

### **People potentially negatively affected, if proposal approved**

Not Applicable.

### **Response from Walsall Council on Proposal Ref 72**

**Cabinet is withdrawing this proposal as the savings required have been found from making changes to operational management following a request for voluntary redundancy from a member of NAG staff.**

## Evidence, Engagement and Consultation Summary

Ref no.	74	Title	Consider closure of 7 libraries and the Mobile Library Service with retention of 9 libraries and the Housebound Service
Description of proposal			
<p>The proposal for consultation is to consider closure of 7 libraries (Beechdale, Blakenall, New Invention, Pleck, Rushall, South Walsall, with Walsall Wood book exchange relocated to Oak Park Active Living Centre) keeping 9 libraries and the housebound service as the core library service for the Borough - Aldridge, Bloxwich. Brownhills, Darlaston, Pelsall, Pheasey, Streetly, Willenhall, Central, Housebound Library Service.</p> <p>The proposal would save a total of £487,912, £328,854 to be delivered in 2016/17 representing implementation at the end of July and a further £159,058 in 2017/18. These savings would be made from a reduction of staff and property costs released from the reduction of the library network.</p> <p>There would still be a library service point available within 2 miles of those areas where a library closed.</p> <p>The housebound service would still deliver media to people, who, for reasons of age, disability or caring responsibilities, are unable to leave their homes.</p> <p>Any community groups or organisation expressing a wish to provide book exchange facilities following a library closure would be supported by the service while they establish their centre and identify funding streams.</p>			
Estimated Net Saving			
2016 / 2017		2017 / 2018	Implementation / Investment cost
£328,854		£159,058	£0
Summary of evidence, engagement and consultation			
<p>Consultation with residents was carried out between 29<sup>th</sup> October 2015 and 4<sup>th</sup> January 2016 through a service specific questionnaire on the proposals available both online and in hard copy . A simplified version of the questionnaire was made available for children and young people. In addition, exit interviews were carried out in every library and face to face drop-in sessions and evening focus groups were held in every library named for closure.</p> <p>By 4<sup>th</sup> January, 1,905 completed questionnaires had been received, 490 had responded to the questionnaire for children and young people and 435 face to face interviews had been carried out.</p> <p>One petition has been received from residents in New Invention opposing the closure of New Invention Library and containing 339 signatures. It is understood that Beechdale and Pleck residents are also preparing to submit a petition. In addition,</p>			

questions have been asked in Council regarding the proposed closure of Pleck and South Walsall libraries respectively.

A “report” regarding the proposed closure of Pleck Library has been submitted by the Friends of Pleck Library. This document puts forward 2 alternative options to achieve savings in libraries such as closing larger libraries for lunch and closing libraries on an additional day each week. These alternative options are currently being fully evaluated.

### **Survey of adults**

A questionnaire for adults was available from all libraries and was also available to complete online. 1,905 people responded, the vast majority of which were active library users. Borrowing books (adults), using the computer and finding information were the main reasons people used the library.

Over two fifths of static library users use the library computers, accessing them for general interest and research, but also for work / study and job research, which is most common amongst libraries that are proposed for closure. Many speak of being reliant on the computers in libraries as they do not have a computer at home or access to the internet.

Most people travel to the library on foot or by car. Most of those who walk to the library do so to libraries that are proposed for closure reflecting their local catchment.

When faced with closure, whilst over two fifths of static library users say that they would travel further to another library, a similar proportion also say they would stop using libraries altogether. Most users of the mobile library service say that if they could not use it they would not use any other library service.

Libraries are seen as important for a wide variety of reasons including being a ‘lifeline’ to older people and providing a service that meets a range of social and educational needs of young and old. Libraries are seen as key in supporting the education of children.

The free resources available at libraries is seen as valuable, in particular for those who read a lot of books and those who do not have a computer or access to the internet at home.

The close proximity of libraries and the ease of access of the mobile library make accessing the library particularly convenient for families and those with mobility issues who otherwise would not be able to access the service.

In terms of impact local libraries are convenient to use and closure causes inconvenience, so that people would have to travel further and this would make using libraries inconvenient and more expensive, including harder to access; resulting in potentially going less often. In addition there would be the loss of local community asset and socialising opportunities, facilities that people have become accustomed to being available.

A small number of respondents felt that libraries were outdated. Many non users said that they are able to access everything they need via the internet and by buying their own books, therefore had no need to use the library.

### **Survey of children and young people**

There was also a questionnaire available to gather children’s thoughts, sent to schools and available from libraries. 490 children aged 16 or under responded. Key respondent



findings regarding issues caused by closure proposals show that child respondents, and particularly older children generally and girls, appear to be relatively adaptable to change, with larger proportions of children capable of accessing library services through a range of alternative means. The school library, being a popular choice, or another library, internet, friends book-share, book buying and with ceased use being the view of only a relatively small proportion of respondents; more notably the boys and older children.

Libraries are seen as quiet and peaceful places to read, undertake homework study, access computers and hang out and socialise with friends. Though there are some children who don't use libraries but who still recognise the value of libraries for others.

**Face to face consultation – exit interviews, drop in sessions, focus groups, discussions with library group users**

Extensive face to face discussion has also taken place resulting in 435 library user interviews being undertaken. Everyone expressed their concern about the proposals and particularly on its impact on elderly people and families with young children. There was particular concern about children no longer having access to books and information, support for homework and being able to visit the library on their own or with their school. The convenience of using the local library came over strongly and many people said they it would be difficult to access the service elsewhere. This was particularly strongly expressed by users of the mobile library service.

**Overall opinion from engagement and consultation**

Respondents are overwhelmingly against this proposal, although it should be noted that 97% were library users.

**Justifiable action from the evidence, engagement and consultation suggested in the Equality Impact Assessment.**

C - Continue despite possible adverse impact.

**Mitigating actions required, if proposal approved**

Libraries will be available at Aldridge, Bloxwich, Brownhills, Darlaston, Pelsall, Pheasey, Streetly, Walsall Central and Willenhall and these are within 2 miles of 100% of the population of Walsall. These libraries will be open between 9.00am and 6.00pm on 4 days per week and between 9.00am and 4.00pm on Saturday. The Central Library will also open between 1.00pm and 4.00pm on Sunday. They all offer a full range of library services which will include activities and events for children and adults; basic skills computer training; formal and informal learning opportunities and access to job, employment and benefit related support.

The Housebound Library Service will deliver books and other media to people who, for whatever reason, are housebound or unable to leave their homes (including the seasonally housebound).

Library Services are available online: including access to e-book and e-audio downloads, reservation and renewal facilities, the catalogue of stock, library addresses

and opening times; events and activities and the facility to make enquiries.

Library Services will work with local schools and other organisations to give children access to books, encourage reading and support literacy.

Local community organisations have been approached to investigate opportunities to provide local, community managed “book exchange” facilities based either in a community building or in the old library. By the end of January 2016, firm expressions of interest in providing book exchange facilities had been received from Manor Farm Community Association (Rushall), Beacon Primary School (New Invention) and Friendship Care and Housing/Beechdale Community Housing (Beechdale). Book exchange facilities are also proposed at the newly refurbished Oak Park Active Living Centre in mitigation for the proposed closure of Walsall Wood.

### **People potentially negatively affected, if proposal approved**

The proposal will have a negative impact on the following:

Children and young people:

- loss of support for homework, formal and informal education,
- inability to travel other service points without parental support;
- loss of activities and social opportunities;
- loss of opportunities for reading for pleasure.

Older people and the disabled:

- High negative impact on elderly and disabled people by the cessation of the Mobile service that visits residential homes, day centres and nursing homes. This may also affect their independence. This negative impact will also affect the significant number of older people who use the urban mobile service and may be unable to travel to an alternative service point
- Inability to carry heavy book for any distance
- Lack of mobility will make travel to another service point difficult.

Job seekers, the unemployed and those claiming benefits;

- Loss of access to computers for job searches, writing CVs and basic skill computer skills training will have a negative impact for the significant levels of unemployed people. This is particularly important for people having to do a required number of hours job searching in order to claim benefits

People from minority ethnic communities:

- A loss of access to books, information and other materials in languages other than English; the culture of some communities may restrict the ability of some residents freely to access services out of the area.

### **Response from Walsall Council on Proposal Ref 74**

Following consultation, Cabinet have considered this proposal and have decided to amend as follows:

- Continue with the proposal to close six libraries (Beechdale, Blakenall, New Invention, Rushall, South Walsall, Walsall Wood) with Walsall Wood becoming a book exchange at Oak Park as per the original proposal. Book exchanges will continue to be explored as alternatives, with three firm expressions of interest in

respect of Beechdale, New Invention and Rushall libraries. There are potential book exchanges coming forward for South Walsall and Pleck which came later in the consultation period so are not as advanced at this stage.

- Pleck library to be retained subject to a pilot of Open+ technology during 16/17 ahead of the proposed wider use of Open+ technology in 2017/18.
- Retention of one mobile library with a revised route and timetable where there is a demonstrable need for the service. This route will be subject to further consultation.
- An additional book exchange to be provided at Bloxwich Active Living Centre to mitigate the potential pressure on Bloxwich library and to also complement the new Active Living investment.

**Cabinet therefore intend to proceed with this proposal as detailed above, resulting in a saving reduction of £145,845 in 2016/17 (adjusted saving of £183,009).**

## Evidence, Engagement and Consultation Summary

Ref no.	80	Title	Area Management Review
Description of proposal			
<div>1. To cease Area Panels and associated grant funding</div> <div>2. To reduce the number of Area Managers from 6 to 3 and to redesign the role to more closely meet the needs of local communities.</div>			
Estimated Net Saving			
2016 / 2017	2017 / 2018	Implementation / Investment cost	
£100,000	£100,000	£0	
Summary of evidence, engagement and consultation			
<div>Area Panels and a range of community groups were asked for their experience of Area Partnerships/Area Managers. Of the community groups consulted two did not know if they had an Area Manager and what their role was. The remaining two were not in favour of the current role of Area Managers. They also felt that whilst Area Panels provide small grant funding pots these were not significant to make a difference and that ceasing Area Panels would have minimal impact. They were in favour of a mechanism to deal with issues by directly liaising with relevant agencies and involving local area councillors where needed.</div> <div>Walsall Police accept that this proposal does not impact on statutory services, however the police feel ‘it will impact upon sustaining inclusive communities and the contribution this brings towards resolving local issues’. Furthermore the police feel that this proposal would mean there will be reduced access between partners and subsequently ‘a reduction in joint focus in area support’. The police believe maintaining a partnership structure where agencies can raise local issues and adopt an integrated problem solving approach is important.</div> <div>There is additional secondary consultation feedback (drawn from minority groups participating in consultation on other budget proposals) indicating that a number of communities with protected characteristics are not involved in area partnership activity including attendance at area panels and do not access the grant funding. In relation to the Area Panels, responses included:</div> <div><div>• Communication has increased dramatically under the Neighbourhood Management model – this is the biggest concern should it go.</div><div>• Groups have worked better together with some groups not known about until Neighbourhood Management was in place.</div><div>• A reduction in funding would not be a concern.</div><div>• How will the good work to date continue; what is the exit strategy?</div><div>• Area panels can be places for political point scoring which means that sometimes “better” projects are rejected.</div><div>• Elected Members should not be involved in the funding decision making process and Panels should not be Elected Member led.</div><div>• Some area’s need less support as they are “just ticking over” and where capacity</div></div>			

	<p>to do things is better.</p> <ul style="list-style-type: none"> <li>• Very much about the commitment and drive of individual Neighbourhood Manager.</li> <li>• Some minority groups are disadvantaged (the make-up of groups not being challenged to increase minority participation)</li> <li>• Good faith relationships are built.</li> <li>• Need local web pages developed to include all groups, volunteer opportunities/ volunteers details – who will set this up and service?</li> <li>• How sustainable are the groups and partnerships – this will need to be a priority of work for the 1<sup>st</sup> year proposed reduction to ensure the second year is in the most sustainable position.</li> </ul>
<b>Overall opinion from engagement and consultation</b>	
	<p>Whilst respondents generally support this proposal they want to be assured that any new arrangements will build on existing strengths including area tasking and partnership working. In addition, respondents want to the capacity of community and voluntary sector groups developed and to take a more focussed strategic approach to tackling the challenges faced by local communities.</p>
<b>Justifiable action from the evidence, engagement and consultation suggested in the Equality Impact Assessment.</b>	
	<p>B – Adjustments needed to remove barriers or to better promote equality.</p>
<b>Mitigating actions required, if proposal approved</b>	
	<ul style="list-style-type: none"> <li>• Invest additional funding, alongside other key partners, into a new voluntary and community sector infrastructure organisation - in order to build and maintain a more vibrant, effective and sustainable sector, representative of groups with protected characteristics.</li> <li>• Work with groups with protected characteristics to support their development and connect them with opportunities to access external grant funding</li> <li>• In partnership with youth services - Work with other agencies, partners and stakeholders to identify strategies and alternative activities to support young people</li> </ul>
<b>People potentially negatively affected, if proposal approved</b>	
<p>Children and young people activities currently funded from area partnerships. People from religious groups with projects and activities currently funded from area partnerships.</p>	
<p><b>Response from Walsall Council on Proposal Ref 80</b> The cessation of area panels and withdrawal of funding will affect all groups that have previously engaged in this process. The redesign of the service and roles will provide a more focussed approach to the challenges faced by communities and as this focus will be based on data and local intelligence it is more likely to positively impact communities with protected characteristics. However the new roles will be critical to the success of the new focused approach and therefore the reduction in posts will only be from six to five. <b>Cabinet therefore intend to proceed with the proposal to redesign the service.</b></p>	

## Evidence, Engagement and Consultation Summary

Ref no.	109	Title	Consider reducing the maintenance of council car parks
Description of proposal			
This proposal would result in a reduction in the budget available to undertake planned and emergency 'make safe' maintenance of the 59 formal council car parks located borough wide.			
Estimated Net Saving			
2016 / 2017	2017 / 2018	Implementation / Investment cost	
£15,000	£0	£0	
Summary of evidence, engagement and consultation			
<p>No comments on this proposal were received via the short online generic questionnaire.</p> <p>A service specific consultation exercise was not undertaken for this proposal, however feedback was gathered through generic consultation processes.</p> <p>This proposal was therefore discussed with Business partnerships. Walsall town centre representatives were not in favour of the proposal, whereas District Centre representatives; Aldridge, Bloxwich, Brownhills, Darlaston and Willenhall raised no concerns.</p> <p>Walsall town centre representatives commented:</p> <p><i>"It gives a bad impression for visitors coming into town. You need to charge for parking. Need to bite the bullet and just charge for them. No one wants to pay but it is expected. The money can then be used to repair car parks."</i></p> <p><i>"There is a lot of income from car parks not to repair them! They are certainly not up to private car park standards."</i></p> <p><i>"Sell some of the car parks to enable others to repair them."</i></p> <p><i>"Private companies can make a profit, the council has no business head."</i></p> <p>The Express and Star reported on the proposal under the headline "£15,000 less for car park upkeep in Walsall cutbacks" and this elicited comments around car parking charges from readers and just one comment on maintenance:</p> <p><i>"... The first accident caused by lack of maintenance is going to cost you a lot more than £15,000 in court."</i></p>			

<b>Overall opinion from engagement and consultation</b>	
	Overall opinion on this proposal is divided.
<b>Justifiable action from the evidence, engagement and consultation suggested in the Equality Impact Assessment.</b>	
	Not applicable.
<b>Mitigating actions required, if proposal approved</b>	
	Not applicable.
<b>People potentially negatively affected, if proposal approved</b>	
	Not applicable.
<b>Response from Walsall Council on Proposal Ref 109</b>	
<p>It is anticipated that the proposed reduction would have a detrimental impact on the aesthetics of the car parks rather than safety and that this could potentially drive motorists to private sector car parks. As part of the Walsall town Centre Area Action Plan (AAP), a car parking strategy is being developed for Walsall town centre and this will dictate future service provision.</p> <p><b>In view of the above considerations Cabinet intends to proceed with the savings proposal of Reducing the Maintenance of Council Car Parks.</b></p>	

## Evidence, Engagement and Consultation Summary

Ref no.	110	Title	Consider reducing routine highways maintenance by 10%
Description of proposal			
This would lead to a reduction in the reactive highway maintenance budget by 10%.			
Estimated Net Saving			
2016 / 2017	2017 / 2018	Implementation / Investment cost	
£90,000	£0	£0	
Summary of evidence, engagement and consultation			
<p>A service specific consultation exercise was not undertaken for this proposal; however, feedback was gathered through generic consultation processes.</p> <p>No comments were received via the short online generic questionnaire.</p> <p>Business Partnerships were consulted and those present generally supported this proposal. It is worth noting that consultation with the Business Partnerships was face to face. This allowed for a better understanding that the proposed saving of £90,000 should be viewed in the context of the Council still spending £5.5m per year overall on highways maintenance.</p> <p>Making Our Choice (learning disability group) were consulted on budget proposals and said;</p> <p><i>“The council needs to carry on looking after the roads properly, as, if there were potholes, it could cause accidents for people.”</i></p> <p>Walsall Friends of the Earth commented</p> <p><i>“We are concerned about the state of the pavements and roads for pedestrians and cyclists, as well as for disabled users, for example in wheel chairs. If there are cuts to road maintenance the Council should prioritise ensuring pavements are safe for pedestrians and disabled people as well as tackling potholes which are dangerous to cyclists and drivers.”</i></p> <p>The Express and Star ran an article (entitled "Pot hole repair delays in bid to save Walsall Council £100,000") on this proposal online, which received a few comments from members of the public. Most comments referred to some areas of the borough having better roads than others and that the cost of insurance claims against the council will increase.</p> <p><i>“This is just silly, we have some of the poorest roads in the midlands and the £100k they save they will lose with people making claims regarding damage to vehicles. Only takes 100 claims of £1k and it all lost.”</i></p> <p><i>“... Conservative areas get their roads repaired and resurfaced while Labour areas are</i></p>			



<p><i>left to go to pot ....”</i></p> <p><i>“I for one will issue a claim if I have a puncture or get my car damaged by any road around here, new potholes and damaged roads are reported every day.”</i></p> <p>In their response to this proposal, Walsall Police note the potential for an increased risk in accidents, subsequent injury and a potential increase in insurance claims. Preventing road traffic collisions is seen as a priority by the police, which they report is a common concern of communities. With the number of road traffic accidents resulting in injury or fatality in the West Midlands above the national average, effective, regular maintenance is seen as necessary.</p> <p>There is no evidence that indicates any potential impact for people with protected characteristics. The issue has no relevance to equality and it is disproportionate to carry out an EqlA.</p>	
<b>Overall opinion from engagement and consultation</b>	
	Respondents are generally against this proposal.
<b>Justifiable action from the evidence, engagement and consultation suggested in the Equality Impact Assessment.</b>	
	Not applicable.
<b>Mitigating actions required, if proposal approved</b>	
Not applicable.	
<b>People potentially negatively affected, if proposal approved</b>	
Not applicable.	
<p><b>Response from Walsall Council on Proposal Ref 110</b></p> <p>It is clear that residents, businesses and the police recognise the importance of maintaining the borough’s public highways and would be concerned to see safety compromised. It is considered that, with the addition of Challenge Fund monies from Central Government, the Council can continue to maintain the public highway to an acceptable condition.</p> <p><b>In view of these considerations, Cabinet intends to approve reducing the routine highways maintenance budget by potentially 10%.</b></p>	

## Evidence, Engagement and Consultation Summary

Ref no.	119	Title	Increase the charge for district markets by £5 a stall
Description of proposal			
This proposal is to introduce an increase in fees charged at the district markets (Bloxwich and Willenhall) of £5 per stall per day from 1 April 2016.			
Estimated Net Saving			
2016 / 2017	2017 / 2018	Implementation / Investment cost	
£44,200	£0	£0	
Summary of evidence, engagement and consultation			
<p>Only one comment was received via the short online generic questionnaire. The respondent was fully in support of the proposal.</p> <p>A letter detailing this proposal and inviting feedback was hand delivered to all regular traders at Bloxwich and Willenhall markets. As no feedback was received, some face to face consultation took place at each market.</p> <p><u>Willenhall market traders</u></p> <p>The traders recognise that the rent in Willenhall market is low compared to other markets. However, they made the point that, for those with double stalls, this would mean a rise of £10 per day. The household goods trader has five stalls and raised concern at a potential increase of £25 per day. Trading two days per week at Willenhall, this trader would see an annual rent rise of over £2,500 per annum.</p> <p><i>“Might have to pack it in if it gets worse”</i></p> <p>A number of traders, and their families before them, have traded on the market for many years. They feel a strong connection to the town and feel there is still a need for a market, if it were managed differently. There were suggestions that the markets should be run privately. The traders suggesting this recognised that the rent would probably increase significantly, but considered that a private company would do more to ensure all stalls are occupied and also do more to promote the market.</p> <p>Wednesday is deemed the best day in terms of trade and even then there are a number of empty stalls. Traders are concerned that the small number of people still trading on a Friday would disappear altogether with the proposed increase; this would then increase costs for a Saturday market with regard to erecting and dismantling stalls. The traders also expressed concern that a private company wouldn't be interested in taking on a failing Friday/Saturday market.</p> <p>The traders also commented that the rent increase would offer them nothing – no improvements such as better stalls or the return of electrical points.</p>			

### Bloxwich market traders

A small number of the traders commented that rents being unfairly and inconsistently charged over the years hasn't helped the situation.

The majority of the traders felt that it was unfair to put the rent up without improving the market. Several mentioned the leaking canopy, lack of hot water in the toilets and lack of advertising.

*"Paying for nothing"*

*"We need the events back – what's the point of having them in the park?"*

A number of traders suggested that traders currently occupying two stalls would go down to one and that the Council would lose more than it would gain.

*"If trade got any worse it could finish us."*

*"To put it up a third really is ridiculous"*

A few of the traders said that they would be less unhappy about the proposed increase if the facilities were improved.

### Business partnerships

At the Aldridge, Bloxwich and Brownhills meetings, those in attendance had no comments on this proposal.

At the Darlaston meeting, it was perceived that the Market Service management structure was top heavy. They also suggested that efforts be made to do things differently to save money:

*"Use technology to collect rents instead of old fashioned rent collector. Maybe offer a bulk discount to traders who have 2 or 4 stalls."*

At the Willenhall meeting, the Partnership representatives were proud that Willenhall is a market town, with the market having a history going back to the 1700s and felt that, in the context of the Council's overall budget, £20k is neither here nor there.

The Partnership felt that the proposed price rise doesn't seem unreasonable but they are concerned that some traders wouldn't stay. They also queried whether this in itself is enough to make the market service cost neutral (reference to the 2017/18 proposal). There was a feeling that, if it would save some money consideration should be given to having a smaller, but better market.

When the options appraisal is undertaken, the Partnership felt it would be helpful to explain clearly what all the costs are in terms of running a market.

At the Walsall meeting, there was general support for this proposal. However, the Partnership also felt that the markets needed to be better quality both in terms of the stalls and goods on sale. There was also a view that markets should be privately run.

*"Dudley teenage market did well why don't you do that and raise the bar. If we want the market to survive they have to change and appeal to the young"*

*"Need to upgrade stalls like Leicester, it's amazing"*

*"Private companies have greater business acumen and will know how to shake out a profit"*

The Express and Star featured an article on this proposal online. Comments included:

*“This market could be run by the traders with no cost to the council so long as strict rules are followed and adhered to. Nearly every trader owns their own stall, sheets and weights if needed.”*

*“Rent up from not much to not much. 42% of not a lot is still not a lot.”*

*“Perhaps if more people used markets? Rent up a few quid isn't the problem, selling what we don't want at too higher price is!”*

There is no evidence that indicates any potential impact for people with protected characteristics.

### **Overall opinion from engagement and consultation**

Overall opinion on this proposal is divided.

### **Justifiable action from the evidence, engagement and consultation suggested in the Equality Impact Assessment.**

Not applicable.

### **Mitigating actions required, if proposal approved**

Not applicable.

### **People potentially negatively affected, if proposal approved**

Not applicable.

### **Response from Walsall Council on Proposal Ref 119**

Opinion on this proposal is divided. For non-market traders, the increase seems a reasonable one, but for those market traders who responded, it does not feel reasonable, although there is recognition that there have been no rental increases for many years.

**In view of these considerations, Cabinet intends to approve the proposed increase in the charge for District Markets by £5 a stall.**

## Evidence, Engagement and Consultation Summary

Ref no.	121	Title	Parking Services - revised tariff structure for on street pay and display parking
Description of proposal			
On street parking can currently be purchased in 10 minute slots at 20p each. The proposal is to remove this and replace with the choice of purchasing parking for up to 30 minutes, up to 1 hour and up to 2 hours. No increase is proposed to the cost of the 3 tariff bands.			
Estimated Net Saving			
2016 / 2017	2017 / 2018	Implementation / Investment cost	
£25,000	£0	£0	
Summary of evidence, engagement and consultation			
<p>A service specific consultation exercise was not undertaken for this proposal; however feedback was gathered through generic consultation processes.</p> <p>Only two comments were received via the short online generic questionnaire. Both respondents were not in support of the proposal but do not appear to use on-street pay and display facilities:</p> <p style="text-align: center;"><i>“I pass through Walsall on my way to and from work”</i></p> <p style="text-align: center;"><i>“No major effect as do not shop in Walsall as poor services/shops”.</i></p> <p>Both of these respondents are residents of the borough and were of the opinion that free parking should be offered in Walsall town centre to boost trade and income from business rates.</p> <p>Business Partnerships were consulted on this proposal. The business partnerships representing Aldridge, Bloxwich, Brownhills, Darlaston and Willenhall did not have particularly strong views on this proposal as it only affects Walsall town centre.</p> <p>Suggestions included:</p> <ul style="list-style-type: none"><li>• If people were only charged 10p for an hour, more people would visit the town centre.</li><li>• Charging 50p would be better than 60p as it only involves one coin.</li><li>• Could stick to 10 minute slots but not monitor?</li></ul> <p>An issue was raised on behalf of parents dropping children off/picking children up from Hideaway Nursery in Station Street Walsall, as the proposal would triple what they’re currently paying.</p> <p>In terms of the businesses in Walsall town centre, the consensus was that the Council</p>			

should do more (in terms of parking cost/provision) to encourage people to stay in town for much longer. The numbers of people parking in town for just 10 to 30 minutes was queried.

*“Getting people to stay longer is fine but 30 minutes isn’t really a longer stay.”*

*“If it keeps people in the town longer I’m for it.”*

*“It needs to be fair and reasonable, this town is built on 3 hours stay! We need to get people here all day.”*

*“Should be charging district centres”*

Face to face consultation was undertaken with some traders and visitors to Station Street, Midland Road/Bradford Road and Goodall Street/Freer Street who were generally supportive of the proposal. Comments included:

#### **Station Street**

- Flower shop - Key issue is deliveries and drop off to the shops – so this could help address this issue.
- Gentleman walking from parked car - Prefer the 10mins arrangement as it is now. Picking someone up from the station so only really needs the 10 minutes. Ideally it would be 10mins free.
- Gentleman walking from parked car - Supports the proposed change, usually uses this street for parking and normally pays for an hour anyway. Normally comes into town for one thing then ends up doing a few other jobs and some window shopping as well. 30 minutes would allow for queuing in shops which the 10mins doesn’t allow for.

#### **Midland Road/Bradford Street**

- Opticians – Support the proposal as anything less than 30 mins is unlikely to be useful for our business. Customers tend to park in Iceland at the moment.
- Small supermarket – Proposal would be very helpful as get lots of tickets for deliveries, also will be helpful for customers visiting the shop.

#### **Goodall Street/Freer Street**

- Cafe staff – Most people use Asda but thinks that encouraging longer stays could only be a good thing.
- Bakery/cafe staff – Doesn’t think it will have a huge impact but hopes that the longer time will encourage more people to come in for coffee.
- Gift Shop staff – Sounds like a good proposal but free parking would have a greater impact. This is unlikely to make much difference to the business but welcomes anything that encourages more people to stay longer in the centre.

The Express and Star reported on the proposal to **consider reducing the maintenance of council car parks** under the headline “£15,000 less for car park upkeep in Walsall cutbacks” and this elicited comments around car parking charges from readers:

*“Demand for (council) car parking spaces is only reducing because they keep putting*

<p><i>the prices up.”</i></p> <p><i>“They haven't realised that the demand is there, it's just that they've priced themselves out of the market and they've only done that because they've given themselves an impossible income target....”</i></p> <p><i>“... they've got their pricing all wrong.”</i></p> <p><i>“If they dropped the charges to a sensible level (about half what they are now), they'd generate much more income through increased use and town centre traders would be happier too.”</i></p>	
<b>Overall opinion from engagement and consultation</b>	
	Overall opinion on this proposal is divided.
<b>Justifiable action from the evidence, engagement and consultation suggested in the Equality Impact Assessment.</b>	
	Not applicable.
<b>Mitigating actions required, if proposal approved</b>	
Not applicable.	
<b>People potentially negatively affected, if proposal approved</b>	
Not applicable.	
<p><b>Response from Walsall Council on Proposal Ref 121</b></p> <p>It is recognised that proposals around car parking charges will generally provoke an instinctive negative response and this is reflected in some of the comments above. However, face to face discussions with businesses close to on street pay and display areas, along with service users tells a more supportive story.</p> <p><b>In view of these considerations Cabinet intend to include the savings proposal of a Revised Tariff Structure for On Street Pay and Display Parking in their final recommendations to Council.</b></p>	

## Evidence, Engagement and Consultation Summary

Ref no.	149	Title	Consider ceasing to provide the toy library service and distribute existing stock across Children's Centres and organisations working with and on behalf of the council
Description of proposal			
This proposal considers the council ceasing to provide a toy library service in Walsall. The toy library which includes a mobile service, purchases, stores and loans toys to parents, carers and families who have children under 11 and to organisations such as childminders, crèches, day care providers, play groups, schools who support children.			
Estimated Net Saving			
2016 / 2017	2017 / 2018	Implementation / Investment cost	
£45,548	£0	£0	
Summary of evidence, engagement and consultation			
<p>Consultation has demonstrated that of the 125 members consulted, representing all service users; only 12.5% of whom responded. With only a few members giving their comments who were of in support of the service continuing, 87.5% members therefore did not respond during the consultation process.</p> <p>Professionals value the service to support the work they do with groups in the community and encourage parents to access the service for themselves.</p> <p>Parents of children with disabilities and home schooled children access resources relevant to their child's individual needs without having to purchase equipment which may be used for a short period of time.</p> <p>Group's members including schools like the variety of equipment and larger pieces of equipment for specific themes, by loaning equipment they save on having to purchase resources themselves.</p> <p>A Community Association has expressed its interest in running the Toy Library service which would include its relocation and it being delivered in a different way, whilst maintaining a service that is accessible to parents / carers in Walsall.</p> <p>As a result of this proposal and in order to follow due process, an opportunity for expressions of interest will be conducted using the council's electronic tender system (INTEND).</p>			
Overall opinion from engagement and consultation			
	Respondents are generally against this proposal, although a low response was		



	received.
<b>Justifiable action from the evidence, engagement and consultation suggested in the Equality Impact Assessment.</b>	
	B - Adjustments needed to remove barriers or to better promote equality.
<b>Mitigating actions required, if proposal approved</b>	
<p>To mitigate the impact on children and families who use the toy library existing assets would be distributed to Children's Centres and other organisations working for and on behalf of the council to improve the learning and life chances of children under 11. Childcare providers and parent &amp; toddler groups would no longer be able to access this service.</p> <p>Delivery of the service through an alternative provider will be explored.</p>	
<b>People potentially negatively affected, if proposal approved</b>	
Children with disabilities, home schooled, parents, parent & toddler groups and, short term break providers.	
<b>Response from Walsall Council on Proposal Ref 149</b> <p>The toy library is well valued by users of the service and it is envisaged the service will remain accessible through distribution of assets to alternative organisations e.g. Children's Centres and other organisations working to achieve better outcomes for children and young people in the borough.</p> <p><b>Cabinet intend to approve ceasing of direct provision of the toy library service and invite expressions of interest from alternative providers who can deliver the service in a different way, noting that a Community Association has expressed an interest in running the service. Cabinet to delegate authority to officers to decide if applications are suitable and to distribute assets to the successful applicant or, in the absence of a suitable applicant, to distribute existing stock across Children's Centres and organisations working with and on behalf of the council.</b></p>	

## Evidence, Engagement and Consultation Summary

Ref no.	150	Title	Consider ceasing Youth Opinions Unite service
Description of proposal			
<p>This proposal considers ceasing Youth Opinions Unite (YOU)/Active Involvement/Voice of Child and Young People service.</p> <p>The Youth Opinions Unite/Active Involvement Team works with a range of partners to seek to ensure the voice of children and young people is articulated and impacts on decisions made about them as individuals and how the services offered to them are shaped and developed.</p> <p>Ceasing the work of the team would impact on work with Health services, schools (both primary and secondary), United Kingdom Youth Parliament (UKYP), Youth of Walsall (Youth Cabinet), Looked After Children and Transition Leaving Care, Special Educational Needs, and Community Cohesion. It supports young people to contribute to both the Corporate Parenting Board and Walsall Safeguarding Children Board, by working with groups such as the statutorily required 'Council for Kids' (C4K) and the Safeguarding Involvement Team, (SIT) which supports the Walsall Children's Safeguarding Board.</p>			
Estimated Net Saving			
2016 / 2017	2017 / 2018	Implementation / Investment cost	
£77,000	£0	£0	
Summary of evidence, engagement and consultation			
<p>A major consultation exercise was undertaken with young people, stakeholders and the community when proposals regarding reductions in funding for YOU/Active Involvement were first presented in October 2014, which indicated concern for the reduction of support to children and young people having their voices heard because there would be fewer dedicated staff to support them. The current proposal is seen by respondents as having the potential to limit the Council's ability to ensure young people are able to engage effectively with decision makers.</p> <p>Members of Youth Opinions Unite, and in particular the United Kingdom Youth Parliament members, have met with managers and senior officers and have expressed their concern at the withdrawal of support for their activities. Members of both C4K and SIT have been advised and expressed their worries that they will not be able to be supported well when seeking to get their messages across to the Council and its partners.</p>			

<b>Overall opinion from engagement and consultation</b>	
	Respondents are generally against this proposal.
<b>Justifiable action from the evidence, engagement and consultation suggested in the Equality Impact Assessment.</b>	
	C - Continue despite possible adverse impact.
<b>Mitigating actions required, if proposal approved</b>	
<p>The council is committed to ensuring that the voice of children and young people are listened to and acted on. It will develop a model to deliver the statutory requirements differently. People in related service areas will take greater responsibility and schools education establishments and the voluntary and community sector will have an enhanced role.</p> <p>There is a perceived advantage in separating out the voice of the Children and Young people work from 'delivery' elements of the Directorate to create a degree of independence for the voice of the customer. For this independence to be maintained there should be a separation from the delivery elements of the council.</p> <p>Consideration will be given to the work being carried out by other elements of the Youth Support Service such as Targeted Youth Work which is experienced in this area of work. Consideration could also be given for the work for children's social care in relation to the Safeguarding Board and Corporate Parenting Board to be undertaken by staff in that part of the Directorate, and for the work with the UKYP and Youth Cabinet being carried out by democratic services staff.</p>	
<b>People potentially negatively affected, if proposal approved</b>	
Young people aged 5 -19 (25 for those with SEND).	
<b>Response from Walsall Council on Proposal Ref 150:</b>	
<p>Whilst overall opinion from organisations and consultation with children and young people is to not support this proposal, some suggestions were made for alternative ways of delivering this service which include closer links with schools and local third sector organisations. These suggestions will be taken into account alongside the mitigating actions in the implementation plan.</p> <p><b>In view of these considerations, Cabinet intend to approve this proposal.</b></p>	

## Evidence, Engagement and Consultation Summary

Ref no.	152 / 163	Title	Continue to review information, advice and guidance (IAG) service
Description of proposal			
<p>This proposal would involve ceasing the budget for targeted Careers Information, Advice and Guidance (IAG) that focuses on work with vulnerable groups and young people most at risk of becoming NEET (Not in Education, Employment or Training). This includes in particular those with Special Educational Needs, and who are Looked After in schools, the Virtual School and at New Leaf.</p> <p>The council continues to have a statutory duty (under Section 68 of the Education and Skills Act 2008) for tracking and assisting the most vulnerable young people, to monitor and report on destination outcomes and provide support to looked after children/care leavers, young people with learning difficulties and disabilities and to provide support to other vulnerable groups (teenage mums and young offenders) and some support to NEET young people and those at risk of becoming NEET.</p> <p>Proposal 152 is linked to operational proposal 163 to increase traded activity regarding information, advice and guidance (IAG) – FYE of 2015/16</p>			
Estimated Net Saving			
2016 / 2017		2017 / 2018	Implementation / Investment cost
Ref 152: £338,000		£0	£0
Ref 163: £80,000		£0	£0
Total: £418,000		£0	£0
Summary of evidence, engagement and consultation			
<p>A major consultation exercise was undertaken with young people, stakeholders and the community when proposals regarding reductions in funding for IAG were first presented in October 2014, which indicated concern for the loss of support to young people making career decisions, and the risk of increasing those who are not in education, employment or training (NEET) and those whose destination is unclear (Not Knowns), both of which have to be reported to the Department for Education on a monthly basis. Feedback indicated that the current proposal has the potential to limit the Council's ability to track and support these young people.</p> <p>Schools have been visited individually regarding these current proposals and the concern about reduction in support to vulnerable young people by independent Personal Advisers has been re-iterated. All schools were invited to take up the opportunity to respond to the on-line consultation, but there were no responses in relation to this specific proposal.</p> <p>A limited response to a survey of schools regarding their IAG provision has also revealed the value placed on the benefits of the independence and professionalism</p>			

and breadth of knowledge of the IAG Personal Advisers in supporting young people in special schools, as well as those with particular needs in mainstream schools.

The Police have commented: *“This service is key to providing vulnerable groups and young people with the best opportunity of not becoming NEET by providing careers information, advice and guidance and supporting local people into work. Entering into employment provides independence and improves health and wellbeing. Ceasing the IAG service will place an additional demand on health services, reduce learning opportunities and impact upon levels of youth unemployment. The Marmot review made it clear that educational and employment attainment are social determinants of health and so this service needs to remain.”*

### **Overall opinion from engagement and consultation**

Respondents are generally against this proposal.

### **Justifiable action from the evidence, engagement and consultation suggested in the Equality Impact Assessment.**

C - Continue despite possible adverse impact.

### **Mitigating actions required, if proposal approved**

To mitigate the potential impact of this proposal, we will communicate early with schools on the proposed changes and, if agreed, support schools in fully understanding their universal careers IAG responsibilities. We will also support schools to ensure related and current ‘traded services’ continue to be offered for the universal element and targeted services. We will work to ensure continuity of arrangements for the monitoring and reporting of young people’s destinations and continue to work to secure funding for the Impact Youth Unemployment Project, which is currently progressing well.

We will explore opportunities to develop a joint approach as regards to careers, information, advice, and guidance with other Black Country and West Midland Local Authority’s including consideration of the provision of related online facility. Other providers and opportunities for example through education business partnerships, mentoring, peer support and business links will be fully explored and built into the overall programme. Schools/academies will be encouraged to work more collaboratively as a 14-19/25 partnership which will strategically co-ordinate a pathway approach to ensure all statutory requirements are met.

### **People potentially negatively affected, if proposal approved**

Young people aged 9-19 (25 for those with SEND).

### **Response from Walsall Council on Proposal Ref 152:**

Whilst overall opinion from the public and consultation with children and young people is to not support this proposal, the proposed mitigating actions if successful will limit its impact. A traded service with schools is being considered to support the delivery of IAG in schools.

**In view of these considerations, Cabinet intend to approve this proposal.**

## Evidence, Engagement and Consultation Summary

Ref no.	175	Title	Lifestyles Services - Procure a more Integrated Model of Service Delivery
Description of proposal			
<p>To commission an integrated lifestyle service to increase activity, be more cost effective and sustainable.</p> <p>The procurement of a more integrated model of services delivery with a tiered approach of universal and targeted lifestyle support for adults and children in Walsall (e.g. those at highest risk of long term conditions) includes children's weight, physical activity, mental health and well being, workplace health, diet and nutrition and sustained behaviour change. Exclusions from the project include recently procured lifestyle services: Weight management for adults, smoking cessation and drugs and alcohol.</p> <p>Redesigning the services will reduce health inequalities and promote equity, increase sustained employment, improve the management of mental health and musculoskeletal issues, promote healthy weight and increase physical activity within a smaller financial envelope.</p>			
Estimated Net Saving			
2016 / 2017	2017 / 2018	Implementation / Investment cost	
£260,000	£0	£0	
Summary of evidence, engagement and consultation			
<p>The redesigning of the lifestyles services delivery model has been informed by a local lifestyle needs assessment, evidence based approaches and knowledge gained from other neighbouring procurement exercises.</p> <p>A comprehensive consultation process has taken place involving providers, residents, key stakeholders, partner agencies and service users. The service model has subsequently been designed to reflect the consultation comments.</p> <p>A summary of the results is as follows: At least 90% of respondents either agreed or strongly agreed with each of the target groups identified to focus on improving their health and well being. The top 2 target groups supported were residents with medical conditions (95%) and residents who are out of work due to poor health (94%).</p> <p>Almost all respondents supported a single access point (94%) and the majority felt it was important or very important for residents to be encouraged to take more responsibility for their own health and well being (99%). One to one, groups and internet based support were highlighted as the most preferable means of support.</p>			

Respondents felt the most useful areas of support would be emotional health and wellbeing for themselves and general advice on keeping healthy for their family. Just over two thirds of respondents preferred to access healthy lifestyle support through GP surgeries, with just under half preferring Leisure and Community centres.

The majority of respondents agreed or strongly agreed with the proposal to train volunteers to support sessions (81%) and to charge a fee to take part in some physical activity sessions (70%).

Almost half of the respondents (46%) stated they were interested in volunteering as a way to improve their health well being.

Further analysis of the results for defined target groups has been completed and included within the equality impact assessment. This will inform the final lifestyle services model.

### **Overall opinion from engagement and consultation**

Respondents generally support this proposal.

### **Justifiable action from the evidence, engagement and consultation suggested in the Equality Impact Assessment.**

A - No major change required.

### **Mitigating actions required, if proposal approved**

Not applicable.

### **People potentially negatively affected, if proposal approved**

Not applicable.

### **Response from Walsall Council on Proposal Ref 175**

This proposal is generally supported. The proposed integrated model will have a minimum impact upon service users. As part of the process, a transition strategy and mobilisation plan will be implemented to ensure service users are sufficiently supported, informed and signposted to a wider range of physical activity opportunities across the borough. The new lifestyle model will support community groups to develop and build on their own physical activity provision and increase volunteer led physical activity sessions.

Redesigning the services will reduce health inequalities and promote equity, increase sustained employment, improve the management of mental health and musculoskeletal issues, promote healthy weight and increase physical activity within a smaller financial envelope.

**In view of these considerations, Cabinet intends to approve the proposal to commission a more integrated model of delivery of the lifestyles services.**

**For Approval by Cabinet and  
Recommendation to Council:**

**Corporate Budget Plan and  
Treasury Management and  
Investment Strategy**

**2016/17**

**February 2016**



# Contents

	<b><u>Page</u></b>
<b><u>Part 1: Revenue and Capital Budget Plan</u></b>	
1. Matching resources to vision	90
Our challenges	90
The medium term financial strategy	91
2. Summary of 2016/17 Revenue Budget	94
Revenue budget headlines	94
Net council tax requirement	94
Government central funding and business rate retention	98
Inflationary pressures /financing options / service cost pressures	100
Savings requirement	100
Collection Fund	101
Referendum	101
Levies and precepts	102
Reserves	102
3. Summary of 2016/17 Capital Programme	103
4. Medium term financial outlook – 2017/18 plus	107
5. Portfolio Plans - 2016/17 onwards	110
5.1 Care and Safeguarding	110
5.2 Clean and Green	118
5.3 Community, Leisure and Culture	121
5.4 Economy, Infrastructure and Development	125
5.5 Leader of the Council	131
5.6 Learning Skills and Apprenticeships	133
5.7 Personnel and Business Support	136
5.8 Public Health and Wellbeing	138
5.9 Shared Services and Procurement	140
<b><u>Annexes</u></b>	
1. Summary of revenue budget 2016/17 by portfolio	145
2. Council tax data 2016/17	146
3. Chief Finance Officer report	148
<b><u>Part 2: Treasury Management and Investment Strategy</u></b>	
1. Introduction	154
2. Capital Prudential Indicators	156
3. Minimum Revenue Provision (MRP) Policy Statement	158
4. Borrowing	159
5. Annual Investment Strategy	165
<b><u>Annexes</u></b>	
1 Treasury management indicators	168
2 Minimum revenue provision 2015/16 onwards	169
3 Economic background	170
4 Glossary of terms	174

## **Part 1 – Revenue and Capital Budget Plan**

### **1. Financial planning and management: matching resources to the vision**

The council's budget is a financial representation of the organisation's plans for the forthcoming financial year and beyond. Therefore, the budget is constructed as an integral part of the council's planning processes and aligned to its priorities and objectives and specifically the council's corporate plan.

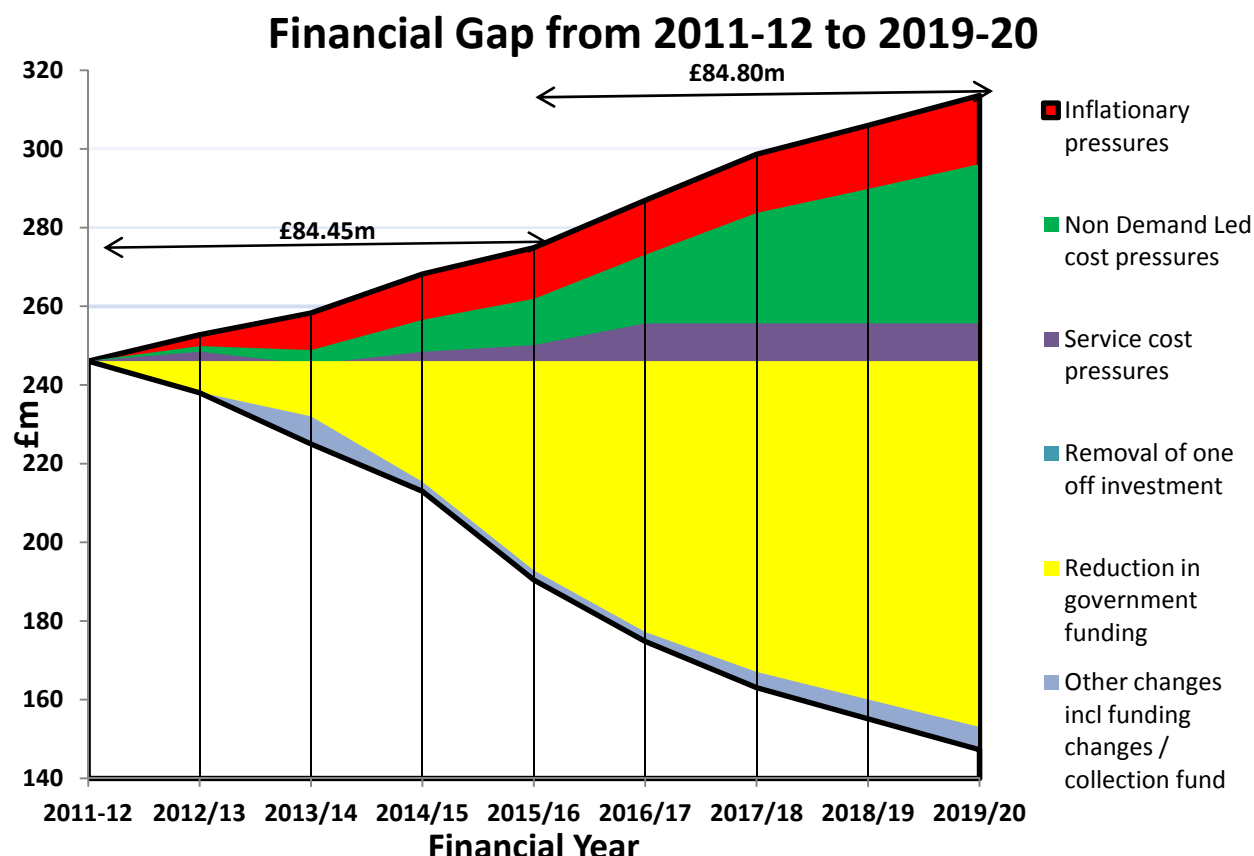
Walsall Council exists to serve the people and communities of Walsall, by representing and working with them to protect and improve the quality of life for all, particularly the most vulnerable. Walsall Council will provide strong, fair, open and honest leadership for the borough and its people and work with any organisation willing to work in the best interests of Walsall. We do this with limited resources and so must always work to ensure that public money is targeted to where it is most needed and used in the most efficient way possible. We are led by the communities we serve who help shape the services we provide and we help those communities to make a positive difference to their own lives through active civic engagement and cooperation.

In 2019 the council will be a key enabler of improvements to Walsall and its' Districts as a place to live, learn and work; working innovatively and collaboratively with strong and resilient communities, public sector partners, schools and businesses to shape services that deliver real and sustainable improvements to people's lives. The council will by necessity be smaller, doing fewer things, and those services that we continue to provide will be delivered in a very different way to how they are now. Our efforts will be focussed on protecting the most vulnerable: ensuring people are safe, and narrowing the gap in life chances by helping them to lead healthy and fulfilling lives, increasing aspirations and remaining independent for as long as possible. In doing this we will help to shape a fairer Walsall.

#### Our Challenges

The council, as with all local authorities, is experiencing significant financial challenges. Over the last five years (2011/12 – 2015/16) the council has reduced its spending by £84.45m but will need to save a further £84.8m over the next four years to be able to balance the budget by 2019/20.

The graph below illustrates the projected widening gap in finances, as a combination of reducing funding and increasing costs. It is clear that funding for key priorities will be significantly diminished and the council will not be able to sustain services at the current level.



Like all other public sector bodies, Walsall has seen government grant funding reduce since the Emergency Budget of 2010 when the Government set out its initial plans to reduce the overall Government deficit, quoting a 28% reduction in funding to local authorities. This has continued following government Spending Reviews in 2010 and 2013, a one year spending round in June 2013 setting out spending plans for 2015/16, and will continue beyond 2016/17 as published in the Spending Review on 25 November 2015. To 2015/16, reductions have totalled in the region of 38% with a further up to 40% expected by 2020.

#### The Medium Term Financial Strategy (MTFS)

The MTFS is a strategic framework and policy document within which the council's finances are constructed and managed. It is part of a suite of policy documents that together comprise the council's approach to effecting sound governance and good practice. It is the translation of our vision, aims and objectives into a financial plan, which thereby facilitates delivery of these through the portfolio planning process.

The MTFS is a key document in bringing together the level of available resources with the demands for service delivery and investment, facilitating sound financial and service risk and opportunity management. It also links to the impact on the council's capital resources and external funding opportunities.

**Figure 1** shows the relationship between the various components of the financial framework. The MTFS is the overarching corporate financial policy sitting below the Corporate Plan and above the other elements of the financial cycle. It is the driver for all other financial activity. Below the MTFS sit the other financial strategies; the capital strategy and the treasury management strategy.

For a number of years the council has adopted a policy-led, medium term approach to financial planning. We seek to ensure our budgets are clearly linked to our vision, aims and objectives. We are committed to maintaining financial stability and delivering value for money through effective and efficient services.

The main objective for the council is to maintain good long-term financial health. Achieving this allows us to deliver good quality, value for money services, shaped by our customer demand. Services that are modern, efficient, effective, and fit for purpose. This requires a framework that delivers both continuous, adaptive improvement and core strength.

How we will achieve this is through:

1. Financial Governance and Leadership
2. Financial Planning
3. Finance for Decision making
4. Financial Forecasting and Monitoring
5. Financial Reporting

**Figure 1: Financial Framework**

Figure 1: Financial Framework

THE FINANCIAL FRAMEWORK					
CATEGORY	OVERALL	REVENUE	CAPITAL	TREASURY MANAGEMENT	RISK MANAGEMENT
Strategies	Medium Term Financial Strategy				
			Capital Strategy	Treasury Management (TM) Strategy	Risk Management Strategy
Guidance	CIPFA and technical guidance	Budget Guidelines	Capital Guidelines	CIPFA Code of Practice for TM	Risk Management Toolkit
Plans	MTFP	Annual Budget	Capital Programme and Asset Management Plans	Treasury Policy Statements	Risk Management Action Plans (where appropriate)
Governance	Constitution	Budget Management and Control Manual And the Annual Governance Statement		Prudential Indicators & Annual Report	Risk reporting and review
	Contract and Finance Rules				Audit Committee Reports and Annual Report
	Internal and External Audit Plans and our response to inspection and audit				

#### *Financial Governance and Leadership*

1. Our top management will be financially literate and able to understand fully the financial environment in which the council operates.

### *Financial Planning*

1. Our financial planning will be inextricably linked to the council's strategic and corporate planning process. Our financial plans will reflect the councils key strategic priorities.
2. An annual medium term financial plan, covering a four year time horizon, will integrate current expenditure plans and investment programmes, with cash-flow and balance sheet projections, developed in the context of a longer-term strategy, which supports the council's strategic plan.

### *Finance for decision making*

1. In developing our strategic and corporate plan we will consider the value for money achieved by allocating resources to different activities.
2. We will understand the financial implications of current and potential alternative policies, programmes, and activities.
3. We will analyse our cost profiles and cost drivers and how they will behave under different circumstances.
4. We will understand the whole-life costs associated with capital investment.

### *Financial Monitoring and Forecasting*

1. Top management will assure itself that financial performance to date and forecast financial outturns are in line with the plan, including cash-flow and balance sheet projections.
2. Variances will be identified as soon as possible, so that management can either take corrective action to manage unfavourable variances or apply any favourable variances to corporate priorities.
3. The underlying costs of the organisation's key activities and how these are profiled over time will be monitored and reviewed.
4. Financial information will be integrated with non-financial performance and activity information. Together, such information forms the basis for financial forecasts and enables value for money to be monitored.
5. The financial information used both for setting the budget and internal accountability, monitoring and forecasting throughout the year is derived from the same systems that are used to generate the results reported externally in the organisation's statutory financial statements.

### *Financial Reporting*

1. To run the organisation effectively, top management will have up-to-date financial and non-financial performance information on a timely basis.
2. Reports will be presented in a form that is tailored to user needs, are easy to understand and highlight the key financial issues that they need to be aware of.
3. For its part, top management needs to provide timely, accurate and balanced information about its stewardship and use of resources and its non-financial performance to the organisation's different stakeholders. Such information will be presented in a form tailored to meet their needs.

## 2. Summary of the 2016/17 Revenue Budget

### 2016/17 Revenue Budget Headlines

The revenue budget is constructed in accordance with the council's medium term financial strategy (MTFS), the Corporate Plan, and all relevant corporate financial protocols and presents a draft balanced budget, with:

- A focus on a policy-led, medium term, risk assessed budget setting approach using priorities established by Cabinet,
- A total net council tax requirement of **£100.99m**
- No council tax increase, equivalent to a Band D Council Tax of **£1,495.71** (excluding precepts) and **£1,663.27** (including precepts) subject to confirmation of final precepts
- Investment of **£13.02m** for Adult Social Care - just under £9m covering ongoing pressures and a further £4m to cover estimated uplifts in care package costs.
- Investment of **£6.5m** for Children's Services cost pressures primarily to cover Looked After Children, contact services, special educational needs, special guardianship orders and agency costs.
- Provision for inflationary pressures outside of Adult and Children services of **£0.83m**
- Provision for other known budget pressures, including cost pressures and reduced levels of income or grant, of **£6.17m**.
- Savings of **£25.37m**, supported by;
- New investment required to deliver these savings of **£1.39m**
- Appropriate use of prudential borrowing to support capital investment where affordable and sustainable with revenue costs being reflected in this report
- Opening general reserves of **c£12.4m**.

The financial implications arising from the draft capital programme 2016/17 are contained within the draft revenue budget.

### Net Council Tax Requirement

The gross revenue expenditure budget for 2016/17 will be **£618.865m**, and gross income will be **£517.874m**, resulting in a net council tax requirement of **£100.991m**.

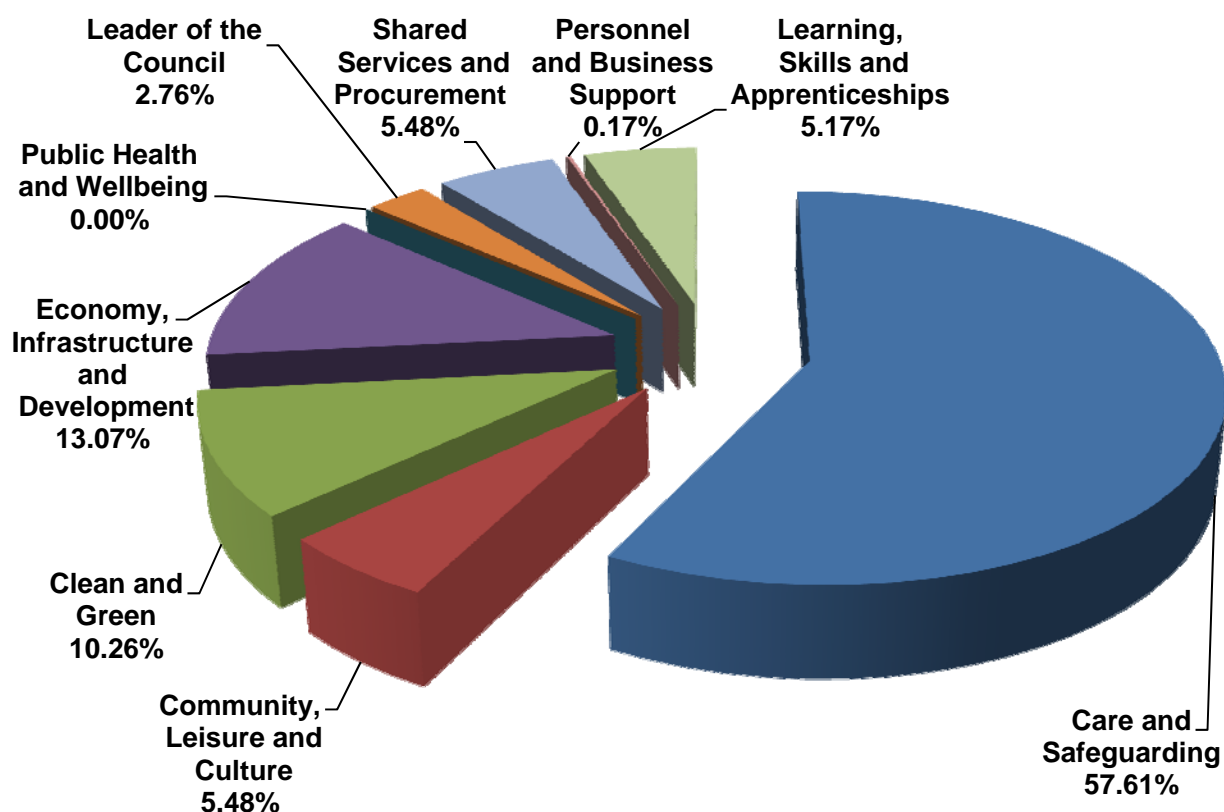
It has been possible to commit to £27.91m (**Table 1**) to address key priorities, funding of essential cost pressures, provision to fund inflationary pressures (i.e. contractual) and corporate cost pressures to fund for example, the revenue implications of the capital programme and pay and pension costs. Income targets have also been corrected in some areas.

The change in council tax requirement from 2015/16 to 2016/17 is shown in **Table 1**.

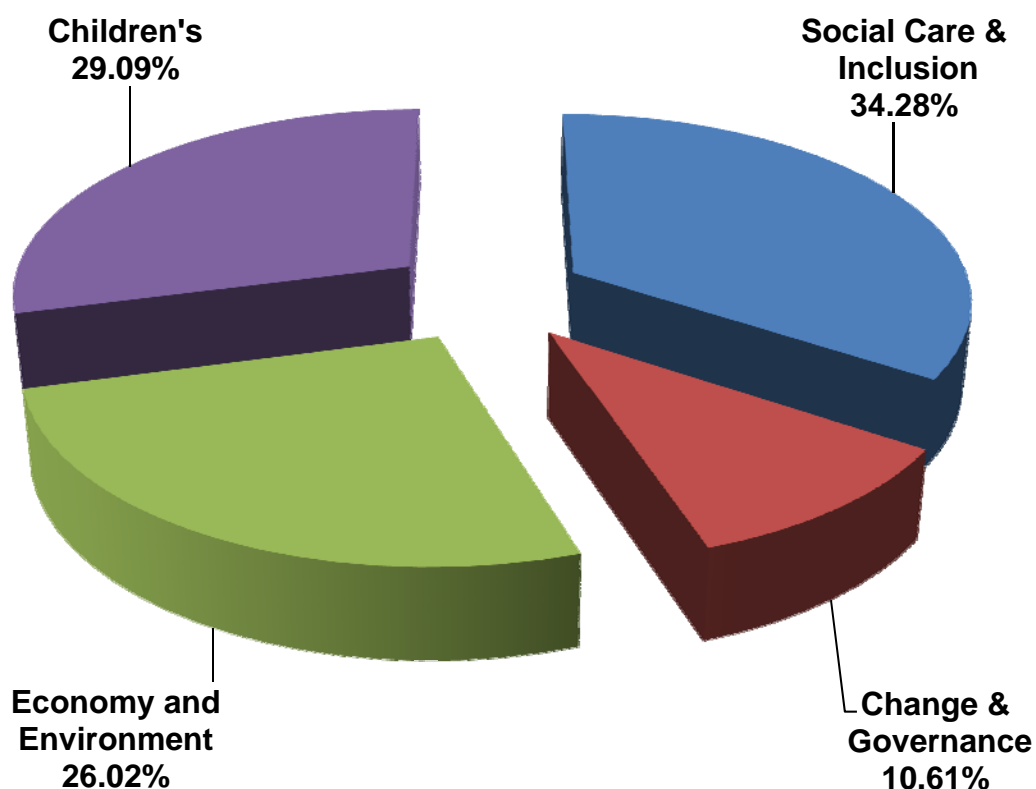
<b>Table 1 : Net council tax requirement 2016/17</b>	
	<b>£m</b>
<b>2014/15 Approved by Council on 26 February 2015:</b>	<b>93.70</b>
<i>Cash Limit Changes :</i>	
Inflationary pressures	0.83
Cost pressures – Adult Social Care / Children’s Services	19.52
New investment required to support the delivery of savings	1.39
Other service cost pressures	1.36
Corporate cost pressures	3.06
Fall out of specific grant	1.75
New savings 2016/17 (see table 6)	(25.37)
Collection fund surplus	(2.89)
Base budget adjustments	(5.45)
Reduction in central Government funding	14.00
Use of reserves	(1.71)
Fall out of use of reserves from 2015/16	0.80
<b>2015/16 Net Council Tax Requirement</b>	<b>100.99</b>
<b>Council Tax Increase – General</b>	<b>1.99%</b>
<b>– Adult Social Care</b>	<b>2.00%</b>

**Figure 2** below provides a breakdown of the net spending by portfolio and **figure 3** by directorate.

**Figure 2 – Net council tax requirement by portfolio**



**Figure 3 – Net council tax requirement by directorate**



This would result in a band D council tax for the Walsall Council element only of £1,495.71, representing an increase of 3.99% from 2015/16 levels (2% of which to be ring fenced to Adult Social Care). Most properties in Walsall (67.67%) are in bands A or B. (**Annex 2**). **Table 2** shows the calculation at Band D.

<b>Table 2: Net Council Tax Requirement and Council Tax Levels 2016/17</b>		
<b>Element of budget</b>	<b>2016/17 budget and grants £</b>	<b>Council Tax Band D £</b>
<b>WMBC element - required from council tax</b>	<b>100,990,893</b>	<b>1,495.71</b>
Police & Crime Commissioner precept	7,531,897	111.55
Fire & Rescue precept	3,781,816	56.01
<b>Total from council tax</b>	<b>112,304,606</b>	<b>1,663.27</b>

*NB: based on an approved council tax base of 67,520.37 band D equivalents.*

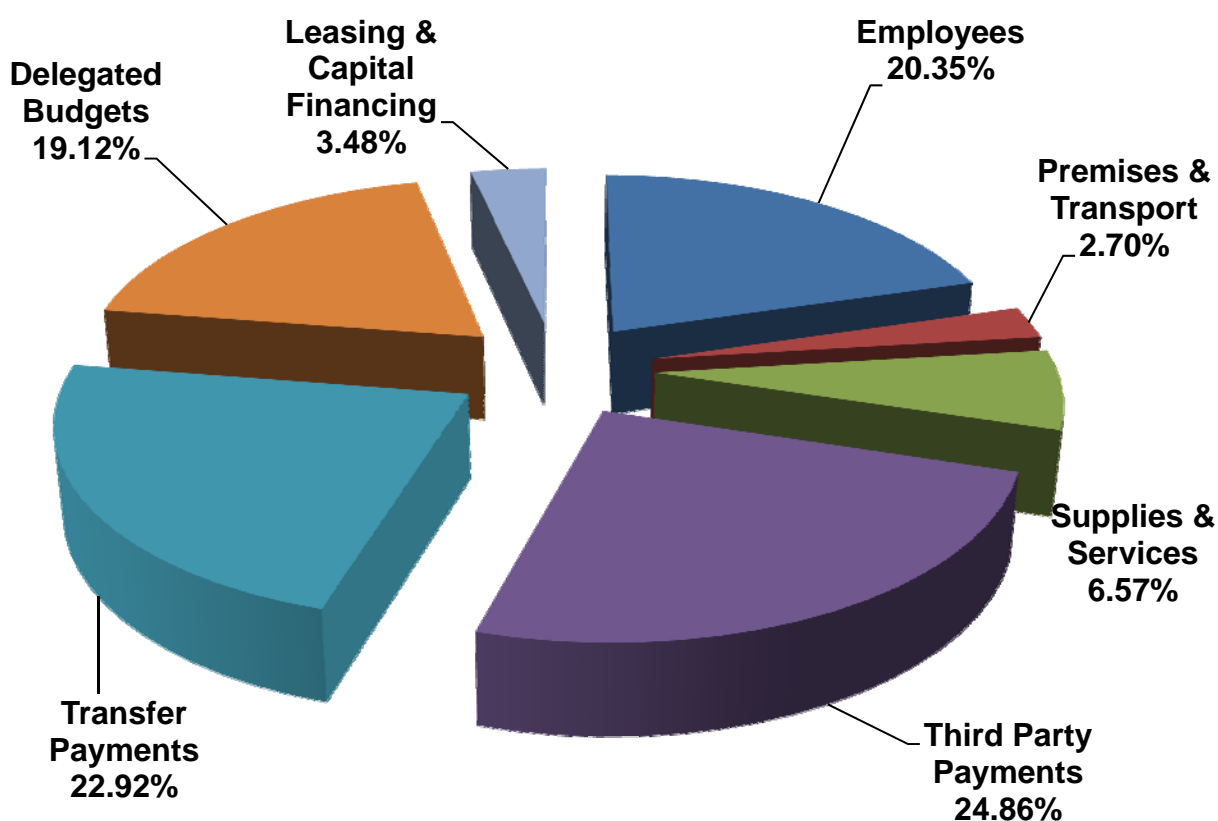


## Expenditure analysis

**Table 3** details gross expenditure by category of spend and **figure 4** by type of expenditure.

<b>Table 3: Expenditure by Category of Spend</b>	
<b>Type of Expenditure</b>	<b>£ million</b>
Employees	125.946
Premises and Transport	16.720
Supplies and services	40.683
Third Party Payments	153.844
Delegated Budgets	118.322
Leasing and Capital Financing	21.527
Transfer Payments	141.823
<b>Total Expenditure (excluding Internal Recharges)</b>	<b>618.865</b>

**Figure 4 – Spend by Type of Expenditure**



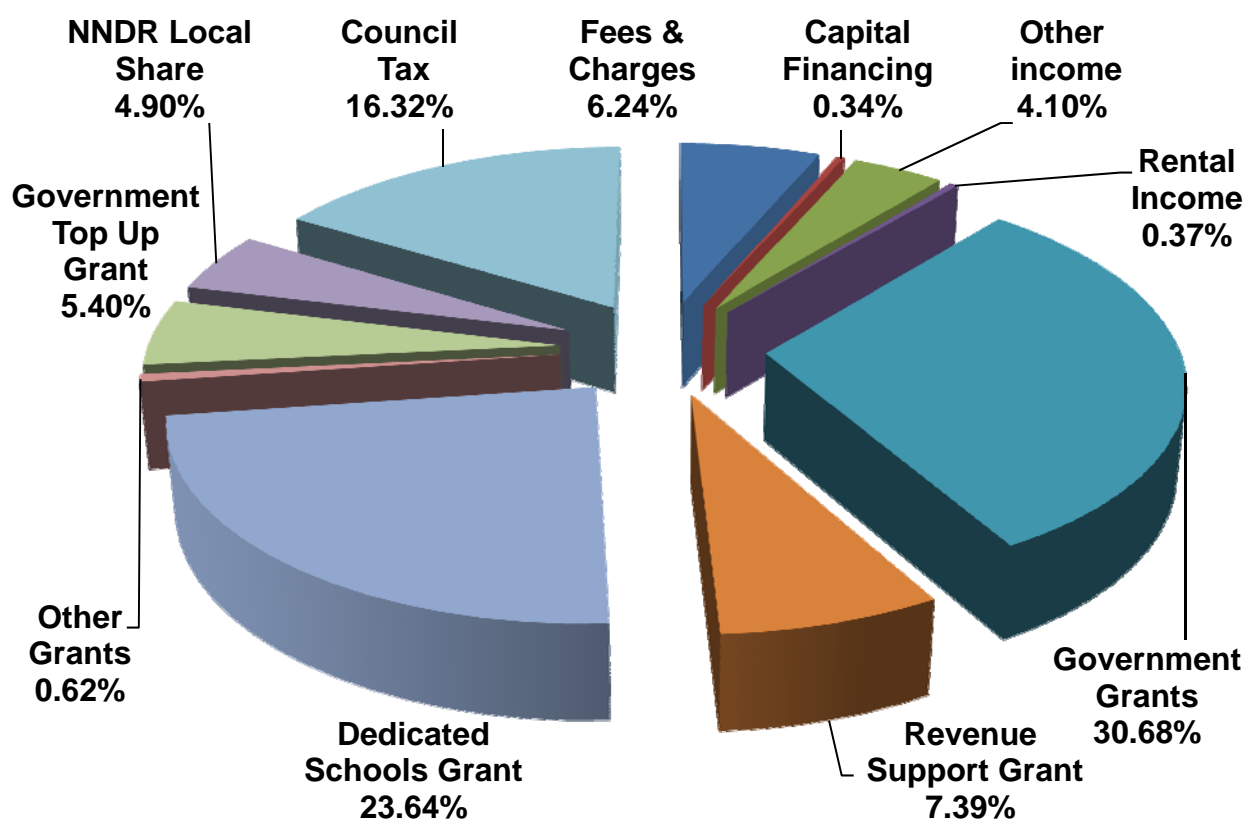
### Notes

- *Transfer payments include expenditure such as special education needs, rent allowances and social services direct payments – for example payments for which no goods or services are received in return by the local authority.*
- *Delegated budgets include budgets for schools, community associations and allotments.*
- *Third Party Payments include payments to external contractors.*

## Income analysis

The council receives income from a number of sources including council tax, central Government grant and specific grants to help pay for certain services including schools and social care. The council also charges for parking, use of leisure facilities and other services. In 2016/17 the council tax will account for 16.32% of total income. **Figure 5** shows all the main sources of income.

**Figure 5 – Sources of funding**



## Government central funding and business rate retention

The Government provides funding to councils through a grant redistribution system (previously referred to as formula grant) which includes the redistribution of business rates collected and revenue support grant.

The Government replaced the way it funds councils with a new scheme known as Business Rate Retention (BRR) from April 2013. The 2016/17 finance settlement represents the fourth year in which the BRR scheme is the principal form of local government funding, summarised as follows:-

- Business rates local share - **£35.00m** (what the Government estimates that Walsall will collect and retain in local business rates) - the local share is not guaranteed and is based on the council retaining 49% of what we actually collect in rates in 2016/17, with the remainder being paid over to Government.

Government set Walsall a baseline figure under the business rates retention scheme of £68.421m for 2016/17 which is made up of the business rates local

share, top up grant and section 31 grant in relation to business rates relief. They also set a safety net threshold of £63.289m for 2016/17. If the safety net threshold is triggered then any income loss below the threshold is funded by government. Any shortfall between £68.421m and £63.289m has to borne by the council (49%), government (50%) and fire authority (1%). Walsall is currently estimating the baseline to be £69.140m slightly above the government baseline and so no safety net would be payable. Volatility in business rates will therefore need careful monitoring throughout the year.

- Top up grant – fixed by the government and increased by RPI for future years - **£33.42m** in 2016/17. Some authorities collect more business rates than they previously received back in the Formula grant redistribution system, and are therefore required to pay a tariff to Government in excess of their allocated share. Council's like Walsall who collected less locally under the old system are allocated a top up grant.
- Revenue Support Grant - **£45.76m** in 2016/17. This includes £1.8m of specific grants that have rolled into this single funding mechanism – care act funding reform, care act adult social care, lead local flood, sustainable drainage systems and carbon monoxide and fire alarm allocation.

Central Government grant is a complex calculation within various blocks based on relative needs, population, demographic data, the tax base and “floor damping”. This has been retained under the revised funding mechanism, and now shown as upper/lower tier funding.

Government announced that local authorities will face an average 2.8% reduction in “*spending power*”. Spending power is based on each local authority’s power to influence and not control local spending levels. This will include the council tax requirement, business rates retention, specific grants and NHS funding for social care (the latter being spend which the council may have an influence over but does not control). Walsall’s reduction based on DCLG published ‘*spending power*’ data is 3.05%.

Walsall’s government grant reduction of –11.2% in 2016/17 is slightly above the national average for metropolitan districts of –10.9%. The use of floor damping in our government grant allocation has previously seen Walsall lose significantly more funding, but this ‘damping’ method is not separately identifiable in the settlements announced since 2014/15. The Government grant allocation for Walsall is set out in **Table 4** and Walsall’s movement compared to the metropolitan average in **Table 5**.

<b>Table 4 : Government Settlement funding Assessment</b>			
	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>
Revenue Support Grant	<b>80.3</b>	<b>59.0</b>	<b>45.8</b>
Business Rates Baseline	<b>34.1</b>	<b>34.7</b>	<b>35.0</b>
Top Up Grant	<b>32.5</b>	<b>33.1</b>	<b>33.4</b>
<b>Total Government Settlement</b>	<b>146.9</b>	<b>126.8</b>	<b>114.2</b>
Adjusted Settlement Funding Assessment	<b>163.5</b>	<b>149.3*</b>	<b>128.6*</b>
Grant increase/-decrease (adjusted) - £m	<b>(16.6)</b>	<b>(22.5)</b>	<b>(14.4)</b>
Grant increase/-decrease (adjusted) - %	<b>-10.1%</b>	<b>-15.1%</b>	<b>-11.2%</b>

\*Adjusted to include rolled in grants

<b>Table 5 : Increase/(- Decrease) in Adjusted Government Settlement</b>					
	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
Walsall	<b>-7.6%</b>	<b>-0.9%*</b>	<b>-10.1%</b>	<b>-15.1%</b>	<b>-11.2%</b>
Metropolitan District Average	<b>-7.6%</b>	<b>-1.9%</b>	<b>-10.1%</b>	<b>-15.1%</b>	<b>-10.9%</b>

\*Comparisons nationally have been made on the change in grant funding excluding rolled in grants.

The table above, derived from Government data, shows that our provisional 2016/17 settlement of £114.18m represents a £14.4m or 11.2% reduction in funding over the adjusted 2015/16 settlement of £128.6m.

Walsall has also received notification of its New Homes Bonus allocation for 2016/17 of £6,149,069. This is slightly more than expected, and will be used to fund changes in savings following public consultation.

#### Inflationary Pressures / Financing Options / Service Cost Pressures

The 2016/17 revenue budget includes £0.83m of inflationary (contractual) pressures over and above that provided to adult social care and children services, and £1.39m investment to support the delivery of new savings.

In addition further growth totalling £25.69m (**Table 1**) has been identified to address key priorities and funding of essential cost pressures. This includes specific service demographic pressures within Children's Services and Adult Social Care, along with corporate pressures – for example, the revenue implications of the capital programme and pay and pension costs. Income targets have also been corrected in some areas.

#### Savings requirement

In order to set a balanced budget, and after a review of available resources from central Government grant and council tax, and taking into account additional known and likely pressures, a total revenue reduction of £25.37m is required in 2016/17.

Those savings requiring Executive approval to proceed were included in the first draft budget for onward consultation by Cabinet on 28 October 2015. Savings proposals include the review of full year effects of decisions taken in relation to previous years savings. Details can be found in each portfolio cash limit in Section 5, and are summarised in **Table 6** below. The savings have enabled Cabinet to use available resources to target and protect priority services.

<b>Table 6: 2016/17 Savings/efficiencies by Portfolio</b>	
<b>Portfolio</b>	<b>New Savings £m</b>
Care and Safeguarding	11.40
Clean and Green	1.44
Community, Leisure and Culture	1.07
Economy, Infrastructure and Development	2.07
Leader of the Council	3.01
Learning Skills and Apprenticeships	2.13
Personnel and Business Support	0.43
Public Health and Wellbeing	1.11
Shared Services and Procurement	1.47
Corporate	1.24
<b>Total Savings / efficiencies</b>	<b>25.37</b>

The £1.24m corporate savings relate to £1m for the review of employee terms and conditions, and £0.24m for the allocation of vacancy management. These currently do not appear in plans as their allocation is currently subject to finalisation.

Options to achieve savings of £1m in 2016/17 and £2m in 2017/18 linked to employee terms and conditions are currently under review. The outcome of the consultation will be reported back to the appropriate committee, along with a timescale on the implementation of the agreed proposals.

### Collection Fund

The collection fund is accounted for separately to the revenue general fund and includes accounts for income collected from council tax and business rates. In January of each financial year, an in-depth appraisal is undertaken to assess the estimated level of collection (as aggregated to include that relating to the current and previous years), the likely balance of the fund and to advise the precepting authorities (Fire and Police) of their share of the council tax surplus/deficit to enable them to take this into account in their own budget calculations. The assessment undertaken in January 2016 revealed an estimated surplus of £3.4m for Walsall in relation to council tax and a deficit for business rates of £4.6m.

### Referendum

In recent years central Government has capped the level of council tax rises. Capping principles are determined on a year by year basis.

Since 2012/13, each authority is required to determine whether their council tax increase requires a referendum seeking the support of the local electorate. Schedule 5 of the Localism Act introduced a new chapter into the Local Government Finance Act 1992, making provision for council tax referendums to be held if an authority increases its council tax by an amount exceeding principles determined by the Secretary of State and agreed by the House of Commons.

This would mean if a local authority seeks to raise its relevant basic amount of council tax

by 2% or more for 2016/17, local people would have the right to keep council tax bills down through a binding referendum veto.

The Autumn Statement delivered on 25 November 2015 outlined plans for local authorities to be able to increase council tax by a further 2% ring fenced for Adult Social Care.

### Levies and Precepts

**Table 7** shows the levy to be made on Walsall Council by the West Midlands Passenger Transport Authority and the levy by the Environment Agency.

<b>Table 7: Levies 2016/17</b>				
<b>Levy</b>	<b>2015/16 £</b>	<b>2016/17 £</b>	<b>Increase / (Decrease) £</b>	<b>Increase / (Decrease) %</b>
WM PTA	12,849,678	12,186,906	(662,772)	(5.16)
Environment Agency	74,551	74,551	0	0

Walsall's precepting authorities are the West Midlands Police and Crime Commissioner, and West Midlands Fire and Rescue Authorities, as shown in **Table 8** below.

<b>Table 8: Precepts 2016/17</b>				
<b>Precepting Authority</b>	<b>2016/17 Amount £</b>	<b>Band D 2016/17 £</b>	<b>Band D 2015/16 £</b>	<b>Band D Increase %</b>
WM Police and Crime Commissioner	7,531,897	111.55	106.55	4.69%
WM Fire and Rescue	3,781,816	56.01	54.94	1.95%

### Reserves

The council's strategy is to continue to demonstrate financial stability and ensure council and service wide financial pressures are well managed. The Chief Finance Officer (CFO) advises on this in accordance with best practice, professional opinion and the council's MTFS. The Government is reviewing the funding of local government, including central funding, and specific funding for services transferred for Public Health, which increases the financial risk to the council. Reserves as at 1 April 2016 will be at the top end of the MTFS threshold at a recommended level of £12.4m to cover this increased risk – prudent action to ensure risks are provided for in accordance with the financial strategy, as outlined in **Annex 3**.

In accordance with sections 25 – 27 of the Local Government Act 2003 and to comply with CIPFA guidance on local authority reserves and balances, the CFO is required to formally consider and report to members upon the robustness of the estimates used for the purpose of calculating the budget and the adequacy of reserves and balances in respect of the 2015/16 budget. This section of the report has been written by the council's CFO (Assistant Director of Finance), and deals with the requirements of the Act and professional guidance. Consideration of all these issues has been comprehensive and complex. **Annex 3** provides further information and signposts to the various activities, documents and other evidence that have contributed to the decision and declaration, and does not seek to reproduce them here.

### 3. Summary of the 2016/17 Capital Programme

The council has an asset portfolio of around £534m. Therefore managing and maintaining these assets is a key issue for the council to ensure they continue to be fit for purpose and their value is maintained. The capital programme is key to delivering the council's vision and priorities.

Due to the diverse nature of capital expenditure, each capital scheme impacts on residents in different ways according to their use of council facilities and services. The capital programme has been constructed within the principles outlined in our Capital Strategy. This document drives the construction and management of the capital programme. The strategy reflects and enables delivery of the council's vision and priorities and approved schemes must deliver that aim. It also requires the council to optimise successful partnership working for example through the Walsall Partnership, NHS Walsall, registered social landlords and regionally with other councils.

The 2016/17 capital programme totals £71.97m and is presented in two parts:

- Mainstream council funded programme (£11.74m) - funded through borrowing and capital receipts (**Table 10**). Of this £0.75m is identified for council wide schemes, funding to support essential works including health and safety and other projects that cannot be guaranteed at the start of the year.
- Non-mainstream programme (£60.23m) - funded from capital grants (**Table 11**).

In addition, the council's leasing programme for 2016/17 is £1.2m – revenue costs of which are funded from services own budgets (**Table 12**).

Capital resources will continue to be limited in the future inevitably placing more pressure on our ability to make future capital investment decisions. Funding will be more reliant on the council's ability to secure capital receipts from sale of land and buildings or affordable additional borrowing. A strategic review of assets is undertaken as part of the 'Asset Management' project which informs the revision of the Capital Strategy and formulation of future years capital programmes.

#### **Mainstream Programme: Funded from Walsall's own resources**

##### Funding

The council's mainstream capital programme is normally funded from borrowing, capital receipts and the carry forward of unspent allocations from previous years.

Borrowing going forward is required to be funded from council's own resources – generated through savings, and/or paid for via council tax. (This is also commonly known as unsupported or Prudential borrowing). Councils are allowed to borrow in accordance with the Treasury Management Code of Practice. The current capital financing / services cash limits is forecast to be able to support £6.94m of additional borrowing to fund high priority items in 2016/17.

Capital receipt projections of £1.5m for 2016/17 are based on professional estimates of property colleagues. Any additional receipts received in year (excluding those earmarked for Smarter Workplaces, Family Contact and Rushall JMI School) will be considered to fund projects identified on the reserve list of schemes as shown in each portfolio plan at Section 5.

**Table 9** shows currently estimated resources to fund the mainstream capital programme for the four years from 2016/17.

<b>Table 9 : Mainstream Capital Programme (Council funded)</b>				
<b>Category</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
General borrowing	4.46	5.40	5.40	5.40
Borrowing for Active Living	1.88	0.00	0.00	0.00
Borrowing for Smarter Workplaces Living	0.22	0.08	0.00	0.00
Borrowing for Wheeled Bins	0.38	0.00	0.00	0.00
Capital receipts projected	1.50	1.50	1.50	1.50
Anticipated Surplus Capital Receipts	0.00	0.00	0.00	0.00
Uncommitted previous years underspends	1.72	0.00	0.00	0.00
Earmarked capital receipts	0.00	0.55	0.00	0.00
Use of reserves / contingency	0.48	0.02	0.02	0.00
Revenue contribution to capital	1.10	0.05	0.04	0.04
<b>Total Mainstream resources</b>	<b>11.74</b>	<b>7.60</b>	<b>6.96</b>	<b>6.94</b>

#### Capital Schemes

For 2016/17 services were asked to review approved schemes in 2015/16 and the expected re-phasing or underspends to help fund future capital programmes. In addition, new bids were considered in line with the Capital Strategy and portfolio plans. Details can be found in each portfolio plan at Section 5, and are summarised in **Table 10** below.

<b>Table 10: Mainstream Capital Programme 2016/17 by Portfolio (Council funded)</b>				
<b>Portfolio</b>	<b>Prior Year Approvals £m</b>	<b>Rolling Programme £m</b>	<b>New Allocations £m</b>	<b>Total Mainstream £m</b>
Care and Safeguarding	0.00	2.15	0.16	2.31
Clean and Green	0.02	0.00	1.11	1.13
Community, Leisure and Culture	1.94	0.03	0.30	2.27
Economy, Infrastructure and Dev'pt	1.02	2.81	0.69	4.52
Leader of the Council	0.00	0.00	0.00	0.00
Learning Skills and Apprenticeships	0.00	0.00	0.00	0.00
Personnel and Business Support	0.00	0.00	0.00	0.00
Public Health and Wellbeing	0.00	0.00	0.00	0.00
Shared Services and Procurement	0.00	0.00	0.76	0.76
Corporate	0.00	0.75	0.00	0.75
<b>Total Council Funded Capital</b>	<b>2.98</b>	<b>5.74</b>	<b>3.02</b>	<b>11.74</b>



Schemes are recommended to go ahead for a number of reasons:

- Address policy including;
  - ✓ Support with cost of living
  - ✓ Creating jobs and helping people get new skills
  - ✓ Improving educational achievements
  - ✓ Helping local high streets and communities
  - ✓ Help create more affordable housing
  - ✓ Promoting health and wellbeing
- Return on investment / Asset management - schemes that unlock external investment in the Borough; drive out long term revenue savings; support the strengthening of the borough's economy; deliver an efficient and effective operational estate linked to the asset management plan; and invests in assets to grow future income streams for the council.
- Capital insurance reserves: to protect the council's position, for which funding is available should the need arise to draw it down.
- Priority schemes for which external funding can be drawn down and which may or may not require a contribution from the council's own resources.

All capital schemes were reviewed by the Asset Strategy Group and corporate management team prior to formal approval by Cabinet for recommendation to Council. Whilst the overall demand for resources usually exceeds those available, schemes deemed to be a high priority in terms of reflecting the council's priorities can be funded, representing a balanced programme for 2016/17 with indicative allocations which are subject to further review for 2017/18 onwards.

### **Externally Funded (Non-Mainstream) Programme**

Full details of externally funded schemes are found in each portfolio plan in Section 5, and are summarised in **Table 11** below. Many of these are indicative allocations pending formal notification from the respective funding bodies, and the capital programme will be adjusted in year to reflect final allocations. Certain schemes can go ahead as these are either fully funded by grant or have the necessary mainstream match funding already approved. If grant or mainstream funding is unavailable then the scheme will not go ahead.

<b>Table 11: Externally Funded Capital Programme 2016/17 by Portfolio</b>			
<b>Portfolio</b>	<b>Government Funding £m</b>	<b>Third Party / External £m</b>	<b>Total Funding £m</b>
Care and Safeguarding	0.80	0.00	0.80
Clean and Green	0.00	0.00	0.00
Community, Leisure and Culture	0.00	0.37	0.37
Economy, Infrastructure and Development	49.83	0.00	49.83
Leader of the Council	0.00	0.00	0.00
Learning Skills and Apprenticeships	7.60	0.00	7.60
Personnel and Business Support	0.00	0.00	0.00
Public Health and Wellbeing	0.00	0.00	0.00
Shared Services and Procurement	1.63	0.00	1.63
<b>Total Externally Funded Capital</b>	<b>59.86</b>	<b>0.37</b>	<b>60.23</b>

### Leasing Programme

The 2016/17 leasing programme totals £1.22m, summarised in **Table 12** below. Leasing minimises the call on capital resources by spreading the acquisition cost over a number of years. Revenue funds are required to finance operating leases, and are included in the revenue budget.

<b>Table 12 : Leasing Programme 2016/17 by Portfolio</b>		
		<b>Revenue</b>
<b>Portfolio</b>	<b>Asset cost</b>	<b>Leasing Cost</b>
	<b>£m</b>	<b>£m</b>
<b>Clean &amp; Green</b>		
Refuse Vehicles	2.849	0.312
Light Commercial Vehicles	2.261	0.430
Tractors & Agricultural Machinery	0.154	0.199
Welfare Vehicles	0.280	0.053
<b>Sub total</b>	<b>5.544</b>	<b>0.994</b>
<b>Community, Leisure &amp; Culture</b>		
Equipment	0.400	0.224
<b>Total Leasing</b>	<b>5.944</b>	<b>1.218</b>

## 4. Medium term financial outlook – 2016/17 plus

The council has a longstanding commitment to medium term financial planning. In conjunction with work ongoing to revise and enhance the corporate plan, we are ensuring that resources are available to deliver our aims and objectives and the priorities that flow from that.

### **Revenue**

Key sources of funding, in particular fees and charges, Government grant and specific grant are assessed on a regular basis, along with emerging cost pressures. The focus is on forward planning to ensure financial risk is managed and mitigated and all known liabilities are funded, including the cost of capital investment decisions.

The future financial environment continues to be challenging for councils. We are uncertain on the direct funding implications for the years beyond 2017/18, although assumptions have been made in our medium term financial outlook around overall reductions to Government spending for this period. One of the major thrusts has been that local authorities can now keep a share of the business rates generated within the area rather than pooling for national redistribution, however this benefit is limited by other parts of the funding mechanism, such as Government top slicing of funds to meet new burdens, safety net authorities, national capitalisation targets, etc.

The Autumn Statement published on 25 November 2015 announced that the Department for Communities and Local Government will consult on changes to the local government finance system to pave the way for the implementation of 100% business rate retention by the end of the parliament. The revenue support grant, which represents less than a quarter of local government total resources, will then be phased out by 2020/21.

Beyond 2016/17, funding allocations still remain uncertain but the government have issued local authorities with indicative figures for 2017/18 – 2019/20. Full details of accepting a four year settlement are still being finalised by Government but they will still be subject to change to take account of future events such as transfers of functions and responsibilities, mergers and any other unforeseen event. Indicative projections show further reductions in funding of 9.8% for 2017/18, 6.3% for 2018/19 and 6.5% for 2019/20.

The medium term outlook is currently being re-assessed, with a number of planning scenarios available. Work is underway to establish a Budget Framework to deliver the required level of savings.

During 2015/16, services have been working on options to meet this reduced funding, whilst maintaining and optimising as far as possible, front line services to the public. Portfolio plans at Section 5 outline indicative cash limits for the next 4 years, summarised in **Table 13**:

<b>Table 13: Provisional Revenue Cash Limits by Portfolio</b>				
<b>Portfolio</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Care and Safeguarding	111.97	107.09	106.63	105.84
Clean and Green	19.93	19.15	19.15	18.50
Community, Leisure and Culture	10.65	8.10	8.04	7.89
Economy, Infrastructure and Development	25.41	23.98	23.30	22.99
Leader of the Council	5.35	4.68	3.39	2.08
Learning Skills and Apprenticeships	10.06	8.75	8.36	7.44
Personnel and Business Support	0.34	0.26	0.18	0.14
Public Health and Wellbeing	0.00	0.00	0.00	0.00
Shared Services and Procurement	10.65	8.33	8.03	7.73
<b>Net Portfolio Cash Limits</b>	<b>194.36</b>	<b>180.34</b>	<b>177.08</b>	<b>172.61</b>
Savings to be allocated	0.00	(4.63)	(4.45)	(3.17)
Capital Financing	0.73	2.12	2.12	2.12
Levies	12.26	11.99	11.85	11.85
Central budgets *	(106.36)	(84.88)	(77.63)	(70.33)
<b>Council Tax Requirement</b>	<b>100.99</b>	<b>104.94</b>	<b>108.97</b>	<b>113.08</b>

*\*Central budgets includes direct Government funding and business rates.*

## **Capital**

Capital programme resources are limited. The financing for capital expenditure on new investments is heavily reliant on grants and other funding received from the Government. The Government is clearly, in the medium term, planning to significantly reduce government financed capital spending.

The success that Walsall has had in securing a wide range of external funding may be harder to achieve as many of the sources of funding may stop or reduce. Government has also published its intention for more pooling of funds regionally which will require greater collaborative working between Local Authorities.

The remaining flexibility is currently through capital receipts and borrowing. Capital receipts projections however are limited, and fully dependent on when council assets are sold. Earmarking of capital receipts beyond what we are statutorily obliged to do is not recommended without overall strategic consideration of the entire capital programme. Use of unsupported borrowing incurs ongoing revenue debt charges and impacts on council tax payers.

Capital allocations and grants from Government and other sources have not yet been provided, therefore best estimates have been used, based on published information to date. Any further reduction in funding will require amendments to the draft programme.

Despite the above difficulties, significant investment is planned and funded over the four years 2016/17 to 2019/20 and the draft capital programme is balanced for 2016/17. The council is able to fund all 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 details of proposed capital schemes beyond 2016/17 are shown in each portfolio plan in section 5. **Table 14** shows the draft capital programme against predicted available resources. **Table 15** summarises the draft capital programme by portfolio.

<b>Table 14 : Draft Capital Programme</b>				
<b>Anticipated Capital Resources</b>	<b><u>2016/17</u></b> <b><u>£m</u></b>	<b><u>2017/18</u></b> <b><u>£m</u></b>	<b><u>2018/19</u></b> <b><u>£m</u></b>	<b><u>2019/20</u></b> <b><u>£m</u></b>
Council resources as shown in table 9	11.74	7.60	6.96	6.94
External Funding	60.23	15.72	12.92	11.92
<b>Total capital resources</b>	<b>71.97</b>	<b>23.32</b>	<b>19.88</b>	<b>18.86</b>
<b>Capital Bids</b>				
Prior Year Approvals	2.98	0.24	0.17	0.15
Rolling Programme Schemes	5.74	5.76	5.75	5.75
New capital bids	3.02	4.43	2.89	1.50
<b>Total council funded schemes</b>	<b>11.74</b>	<b>10.43</b>	<b>8.81</b>	<b>7.40</b>
Externally funded schemes	60.23	15.72	12.92	11.92
<b>Total draft capital programme</b>	<b>71.97</b>	<b>26.15</b>	<b>21.73</b>	<b>19.32</b>
<b>Funding shortfall (surplus)</b>	<b>0.00</b>	<b>2.83</b>	<b>1.85</b>	<b>0.46</b>

<b>Table 15 : Draft Capital Programme by Portfolio</b>				
<b>Portfolio</b>	<b><u>2016/17</u></b> <b><u>£m</u></b>	<b><u>2017/18</u></b> <b><u>£m</u></b>	<b><u>2018/19</u></b> <b><u>£m</u></b>	<b><u>2019/20</u></b> <b><u>£m</u></b>
Care and Safeguarding	3.11	4.20	2.95	2.95
Clean and Green	1.13	0.12	0.02	0.00
Community, Leisure and Culture	2.64	2.78	2.30	0.04
Economy, Infrastructure and Development	54.35	9.58	6.99	6.86
Leader of the Council	0.00	0.00	0.00	0.00
Learning Skills and Apprenticeships	7.60	7.09	7.09	7.09
Personnel and Business Support	0.00	0.00	0.00	0.00
Public Health and Wellbeing	0.00	0.00	0.00	0.00
Shared Services and Procurement	2.39	1.63	1.63	1.63
Corporate	0.75	0.75	0.75	0.75
<b>Draft Capital Programme</b>	<b>71.97</b>	<b>26.15</b>	<b>21.73</b>	<b>19.32</b>

## 5. Portfolio Plans – 2016/17 onwards

### 5.1 Care and Safeguarding Portfolio Plan

The portfolio covers services for children in need of help and protection, children looked after and care leavers, care and support for older people, people with learning disabilities, physical disabilities and mental health needs; health partnership; housing related support for vulnerable groups; safeguarding of vulnerable adults.

#### Children's Services

Early Help, Commissioning & Workforce Development

##### Early Help

- Early Years
- Children's Centres
- Intensive Family Support

##### Workforce Development

- Planning, Training & Development
- Recruitment & Retention

Children's Social Care

##### Provider Services

- Adoption
- Fostering
- Residential Care

##### Looked After Children and Care Leavers

- Contact and Assessment Service
- CAMHS (located in health - matrix managed)
- Sufficiency and Placement Commissioning
- Looked After Children Social Work teams
- Care Leavers Service

##### Safeguarding

- Independent Reviewing Officers
- Safeguarding Board
- Child Death Overview Panel

##### Initial Response Service

- Multi Agency Safeguarding Hub (MASH)
- Initial Response Team
- Safeguarding and Family Support Social Work teams

##### Special Educational Needs and Disabilities (SEND)

- Disability Social Workers
- Educational Psychology
- SEN Assessment
- SEN Advisory

### Adult Social Care

- Response, information, advice guidance and signposting
- Preventative services, community alarms, tele-care, tele-healthcare
- Enablement and re-ablement
- Assessment and review
- Resource allocation and support planning
- Safeguarding of vulnerable adults
- Whole sector workforce planning and development
- Commissioning of services including residential, nursing, day care, home care, extra care and the learning disability and integrated community equipment pooled budgets
- Shaping and development of adult social care market
- Quality assurance of services
- Direct service provision: reablement, response, day and respite care, adult placements
- Housing related support for vulnerable groups

### **Portfolio Objectives / Outcomes / Purpose**

#### Children's Services

We believe that all children and young people in Walsall have the right to be healthy, happy and safe, to be valued and respected and to have high aspirations for a successful present and to achieve their potential in the future. Our ambition is to be *'Better Together For Children'* by working in partnership to offer the very best standard of help, support, education, care and protection for children and young people throughout their journey through our services. We have four strategic outcomes to ensure all children are:

1. Safe and Supported
2. Healthy and Well
3. Aspiring and Attaining
4. Able to make a successful transition to adulthood *and as a result are socially included*

Our Key Priorities agreed with the Children & Young People's Partnership:-

- Supporting the most vulnerable families to provide the best start in life for children (0-5)
- Commission effective emotional and mental wellbeing services for vulnerable children especially looked after children (LAC)
- Mitigate impact of child poverty and reduce hunger
- Improve educational attainment at all key stages
- Reduce teenage pregnancy
- Prevent radicalisation of young people

### Adult Social Care

We want to work with the people of Walsall to reduce dependency and to be clear with them about what they can expect from the Council. We want people to have access to high quality information, advice and support to empower them to live healthy, independent

lives; with access to high quality formal health and social care services when people are assessed as needing them.

We want to help people needing care and support fulfil their aspirations and overcome barriers through personal, family and community support.

Our primary focus is prevention and we provide information advice and guidance, signposting people to community or voluntary sector organisations to help them manage their health and care needs.

We aim to ensure that we deliver the optimum level of support rather than providing support based on a static assessment of need, delivering flexible responsive services when needs fluctuate.

We aim to work with families to engage in lifelong planning for those young people with special educational needs moving from Children's Services to Adult Social Care to ensure they have the best personal outcomes close to home.

We recognise that, regardless of age or disability, when people enter the Adult Social Care system they do not necessarily have to remain within that system but rather through review, to ensure that any care and/or support continues be at the appropriate level. We aim to have a system that prevents people becoming stuck in services and moves them onto successful independence.

Through our reablement services we will provide support for people to recover from ill health and hospital admissions, helping them to return home, regain and maintain their independence, delaying and reducing the need for formal care and support and, wherever possible, reducing the need for residential care.

Our underpinning principle is to maximise choice and personal centred solutions for people in Walsall and, in the event of safeguarding interventions, to ensure a personalised approach that enables safeguarding to be done with, and not to, people.

## **Financial summary**

Table 16 details the revenue cash limits for the Care and Safeguarding Portfolio for the next four years. Full details of savings and efficiencies for 2016/17 and 2017/18 are shown in table 17. 2017/18 savings will require consultation and equality impact assessment prior to further consideration as part of the 2017/18 budget setting process.



<b>Table 16: Care and Safeguarding Portfolio Cash limit 2016/17 – 2019/20</b>				
	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Opening cash limit	102.225	111.971	107.088	106.630
Base Budget Adjustment	0.157	0.000	0.000	0.000
<b>Investment – Adult Social Care</b>				
- increased cost of care packages	4.065	2.693	2.695	2.689
- Older People client costs	4.012	0.000	0.000	0.000
- Learning Disability client costs	2.171	0.000	0.000	0.000
- Mental Health client costs	0.525	0.000	0.000	0.000
- Physical Disability client costs	1.244	0.000	0.000	0.000
- Additional staffing costs on bed based reablement (Hollybank)	0.135	0.000	0.000	0.000
- Telecare equipment	0.090	0.000	0.000	0.000
- CM2000 and Mosaic revenue costs	0.087	0.000	0.000	0.000
- Best Interest Assessments (BIA)/ Deprivation of Liberties (DOLs)	0.183	0.000	0.000	0.000
- CCTV contracts	0.070	0.000	0.000	0.000
- Rapid response contracts	0.195	0.000	0.000	0.000
- Shortfall in CCG contribution, advocacy - contract and AMHP (Approved Mental Health Professional) locum	0.247	0.000	0.000	0.000
- Investment linked to savings	0.665	(0.375)	0.000	0.000
<b>Investment – Children's Services</b>				
- Looked after children	4.000	0.000	0.000	0.000
- Agency	2.100	0.000	0.000	0.000
- Contact Services	0.150	0.000	0.000	0.000
- Special Educational Needs	0.285	0.000	0.000	0.000
- Special Guardianship Orders	0.350	0.000	0.000	0.000
- Unaccompanied Asylum Seekers / advisors	(0.209)	0.000	0.000	0.000
- Investment linked to savings	0.623	(0.180)	0.000	0.000
Less: Savings / efficiencies - see table 17	(11.399)	(7.021)	(3.153)	(3.476)
<b>Revised cash limit</b>	<b>111.971</b>	<b>107.088</b>	<b>106.630</b>	<b>105.843</b>

£20.99m investment is shown in table 16 above - £13.69m relates to Adult Social Care (of which £1.94m is funded from the 2% council tax precept) and £7.3m for Children's Services.

### Revenue savings and efficiencies

Table 17 details the revenue savings and efficiencies for Care and Safeguarding Portfolio for approval for 2016/17 and draft 2017/18 proposals.

<b>Table 17 : Savings and efficiencies</b>			
<b>Saving reference</b>	<b>Detail of saving / efficiency</b>	<b>2016/17 £</b>	<b>2017/18 £</b>
1	Reduce administrative support services within children's services	399,060	33,687
2	Review of contractual inflation within adult social care	52,610	
3	Reduction in administration support costs through restructure in adult social care.	173,806	
4	Release of borrowing pay back budget	95,000	
5	Review 0-19 year old support to families across children's and housing	401,784	98,216
6	Review and redesign looked after children contact service delivery through a combination of demand management, contract management and restructuring where appropriate.	220,000	
7	Increased investment in adult social care from the Better Care Fund (Policy)	750,000	500,000
8	Reduction of adult social care transport budgets following review of individuals support requirements.	67,182	
9	Reduction in adult social care commissioning budgets for older people – Implementation of the Care Act (Policy)	2,000,000	3,000,000
10	Reduction in adult social care commissioning budgets relating to the carers development fund	100,000	
11	Good practice reviews of clients with complex needs within adult social care (Policy)	250,000	250,000
12	Housing 21 contract review (Policy)		2,437
13	Review Special Educational Needs (SEN) Transport packages (Policy)	250,000	225,000
14	Review and reduce short breaks services (Policy)	150,000	130,000
15	Review and reduce SEND core staffing	142,000	
16	Review and seek to reduce the number of looked after children (LAC)	342,429	228,286
17	Seek to increase the number of care orders that are converted to special guardianship orders (SGO)		43,000
18	Establish a pool of foster care plus carers (Policy)	52,572	105,144
19	Increase foster care places through targeted and intense recruitment.	91,794	135,044
20	Reduce the number of looked after children (LAC) supported in external residential placements through the creation of 2 new two bedded in house residential units.	110,062	
21	Review of current children's internal residential and respite provision (5 homes) to deliver efficiencies and new ways of working.	300,000	300,000
22	Review all children's external residential placement packages and seek to develop and provide alternative cheaper provision where appropriate.		53,144

<b>Saving reference</b>	<b>Detail of saving / efficiency</b>	<b>2016/17 £</b>	<b>2017/18 £</b>
23	Reduce the number of agency social workers within children's services.	227,000	227,000
24	Invest to save: Reduce the demand for statutory intervention and the numbers and cost associated with looked after children caused by the impact of the 'toxic trio' (domestic abuse, parental substance misuse & parental mental ill health). (Policy)		114,143
25	Through an integrated early intervention and prevention approach reduce residential and nursing care admissions. (Policy)		250,000
26	Invest to save: Reduce the number of social work posts within children's services as a result of the investment in toxic trio prevention (linked to proposal 24)		187,967
27	Build in payment by results funding - troubled families	448,000	
28	Increase of the community based charging policy to charge 100% of client's disposable income (current policy charges 90% of disposable income) (Policy)	350,000	
29	Review of mental health clients with a Section 117 aftercare status, with the aim of enabling these clients to be released from medical specialist oversight and thereby charged for social care services provided (Policy)	50,000	
30	Generate additional income through marketing under occupied internal short break placements and charging other local authorities for use of them.	29,376	
31	Children's centres - redesign service - FYE of 2015/16	500,000	
32	Reduce LAC cost pressures through investment in voluntary organisations. (Policy)	41,419	82,838
33	Review of complex needs contracts within the voluntary sector to focus on commissioning those contracts with a proven impact on reducing demand. (Policy)	238,580	
35	De-layering of children's senior management structure - also in learning skills and apprenticeship portfolio £88,166	213,568	380,089
36	Restructure of children's services commissioning and brokerage teams - £95k also in learning skills and apprenticeships portfolio	95,000	
37	Early help – efficiencies within the area family support teams via reduction in supplies and services budgets - FYE of 2015/16	65,000	
38	Review and re-design the performance and information service within children's services to support staffing reductions	100,000	

<b>Saving reference</b>	<b>Detail of saving / efficiency</b>	<b>2016/17 £</b>	<b>2017/18 £</b>
39	Reduce practice development support within children's social care		47,256
40	Reduce support to family centres	26,000	
41	Seek to reduce the level of qualified social work professionals and utilise social care facilitators to carry out management of some caseloads (overseen by professionals) within children's services	109,446	109,446
42	Review and redesign safeguarding board support	27,000	27,792
43	Review of external contracts with focus on utilisation of internal, Fallings Health, provision FYE of 2015/16	20,000	
44	Adult social care, employment and day opportunities review (Policy). Separate report to Cabinet 3 February 2016.	1,192,306	
45	Merger of safeguarding - adult social care and children's services	29,804	80,212
46	Review and restructure of management levels within adult social care	62,647	
47	Review of emergency duty team (EDT), vacant team manager post – adult social care	41,822	
48	Review of programme office within adult social care following the implementation of the Care Act and Children and Families Act.	100,000	
49	Review and reduction of budgets in areas of non essential spend within Children's Services	100,000	100,000
144	Redesign early help 0-5 service	186,000	
146	Reduce budgets targeted youth support (TYS) model - FYE of 2015/16	54,000	
148	Continue to review play and stay service (Policy)		110,000
149	Cease to provide direct provision for the Toy Library service by the Council and continue to consult on alternative arrangements (Policy)	45,548	
153	Review and renegotiate contracts commissioned via children's services	55,000	
155	Deliver further efficiencies within new children's centre model of delivery	250,000	
156	Redesign early help 0-5 service	125,000	
159	Generate additional income within information services via increased trading with schools	150,000	
168	Review and reduce education psychologists service	300,000	200,000
162	Generate additional income via traded activity within children's workforce development	27,915	
170	Re-design YSS administration function - FYE of 2015/16	40,000	
191	Reduce the Independent Fostering Agency contract – new contract saving added	150,000	
	<b>Total</b>	<b>11,398,730</b>	<b>7,020,701</b>

## Capital investment

Table 18 details the capital investment for the Care and Safeguarding Portfolio over the next four years.

<b>Table 18 : Care and Safeguarding Capital Investment 2016/17 – 2019/20</b>					
<b>Capital Project</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Source of funding</b>
<b><i>Preventative Adaptations, Supporting Independence, Aids and Adaptations</i></b> – 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)	2.00	2.00	2.00	2.00	Council
<b><i>Health through warmth</i></b> – 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.	0.15	0.15	0.15	0.15	Council
<b><i>Relocation of Integrated Community Equipment team</i></b> from Electrium Point. Option to add an additional floor at the warehouse and to bring operational and administrative functions together.	0.11				Council
<b><i>PARIS replacement software</i></b> – new Mosaic system procured in Summer 2014 for Adult Social Care and Children's Services – development work required to complete	0.03				Council
<b><i>Windows Server 2012</i></b> – Capita One system used within Children's Services to record data and is 7 years old and out of warranty. Review of system required to minimise disruption.	0.02				Council
<b><i>Family Contact Centre</i></b> – options for potential relocation of the service from Stroud Avenue. This includes options to use existing council buildings, or potential for a new build, with potential to part fund from earmarked capital receipts		1.25			Council
<b><i>Social Care Capital Grant</i></b> – support development in three key areas of Social Care – personalisation, reform and efficiency, to keep people at home as long as possible and swift return home from bedded care	0.80	0.80	0.80	0.80	External
<b>Total</b>	<b>3.11</b>	<b>4.20</b>	<b>2.95</b>	<b>2.95</b>	

In addition to the above, there is also the proposed strategic schemes for the review of EDC, Sneyd and Family Contact Centre. These will be subject to a separate business case to be reported to Cabinet and will be included in the latest update of the draft capital programme when confirmed. Where practical, a payback agreement should be implemented, whereby projects should, wherever possible be self funded over the life of the project and beyond.

There is also a further allocation of £1.15m on the reserve list per annum for Preventative / Aids and Adaptations, which will be released in year subject to funding being confirmed and linked to council priorities.

## **5.2 Clean and Green Portfolio Plan**

### **Summary of services within the portfolio**

- Waste management and cleansing: domestic waste collection including bulky collections, trade waste collections, kerbside garden waste collection, dry recycling collections, education initiatives, waste disposal, street cleansing including town centre gold standard and public conveniences' cleansing.
- Fleet Services: management of council vehicles, MOT/garage facilities
- Policy and Performance: management & administration, policy improvements and initiatives, performance review and customer consultation
- Pollution control
- Green Spaces - Management and development of parks, open spaces and local nature reserves, play areas, urban forestry, allotments and community gardens.
- Grounds Maintenance: grounds, maintenance of parks, highways and public open spaces including tree planting and maintenance, cemetery maintenance and burials.

### **Portfolio Objectives/Outcomes/Purpose**

Pollution control is vital to the quality of life of residents in general and to their health. Close coordination between this and traffic management is essential due to the impact of road traffic noise and air quality within the borough.

- We will continue the popular and successful household waste collection service and identify new ways to improve further our already impressive recycling rates.
- We will continue to promote a clean environment throughout the borough.
- We will continue to promote a green environment, with well maintained parks and open spaces.
- We will implement the selected option for alternate weekly collection.

The outcomes we will achieve are that streets will be well maintained and clean, and residents will continue to receive an excellent residual waste collection service and be able to recycle waste in line with national expectations.

### **Financial summary**

Table 19 details the revenue cash limits for the Clean and Green Portfolio for the next four years. Full details of savings and efficiencies for 2016/17 and 2017/18 are shown in table 20. 2017/18 savings will require consultation and equality impact assessment prior to further consideration as part of the 2017/18 budget setting process.

<b>Table 19: Clean and Green Portfolio Cash limit 2016/17 – 2019/20</b>				
	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Opening cash limit	20.482	19.933	19.155	19.155
Base Budget Adjustment	(0.075)	0.000	0.000	0.000
Investment – Waste contract	0.700	0.000	0.000	0.000
Investment – Waste disposal	0.266	0.000	0.000	0.000
Less: Savings / efficiencies - <i>see table 20</i>	(1.440)	(0.778)	0.000	(0.655)
<b>Revised cash limit</b>	<b>19.933</b>	<b>19.155</b>	<b>19.155</b>	<b>18.500</b>

### Revenue savings and efficiencies

Table 20 details the revenue savings and efficiencies for Clean and Green Portfolio for approval for 2016/17 and draft 2017/18 proposals.

<b>Table 20 : Savings and efficiencies</b>			
<b>Saving reference</b>	<b>Detail of saving / efficiency</b>	<b>2016/17 £</b>	<b>2017/18 £</b>
50	Reduction in IT and systems support within Clean and Green	30,000	
51	Efficiencies in depot operating costs	8,535	
52	Reduction in green spaces management costs	15,234	
53	Reduction in customer liaison operating costs combined with an increase in income generation	41,014	
54	Reduction in domestic waste collection costs based on alternative weekly collection (Leasing element under Leader portfolio). Approved by Cabinet December 2015.	464,250	460,500
55	Reduction in compliance management		56,429
56	Reduction in performance management resources within waste strategy	27,278	
57	Reduction in environmental improvement service		125,914
58	Reduction in the infrastructure maintenance service	51,727	
59	Reduction in resources deployed in countryside areas.	23,519	
60	Reduction in resources deployed at Walsall Arboretum	22,000	
61	Reduction in senior management	80,847	
62	Reduce in public health transformation funding		100,000
63	Reduction of the frequency of grass cutting on highway verges (Policy)	225,000	
64	Reduction in the level of parks maintenance	25,000	
65	Reduced herbicide treatment on green spaces	30,000	
66	Reduction in street cleansing service (Policy)	150,000	
67	Increase in the income from bulky collection as a result of increased demand	24,000	
68	Reduction in the cost of holiday and sickness cover	30,000	
69	Reduction in management and fleet support related to the proposed grounds maintenance and street cleansing savings.	42,000	35,000
190	Reduction in fleet fuel budget - new saving added	150,000	
	<b>Total</b>	<b>1,440,404</b>	<b>777,843</b>

## Capital investment

Table 21 details the capital investment for the Clean and Green Portfolio over the next four years.

<b>Table 21 : Clean &amp; Green Capital Investment 2016/17 – 2019/20</b>					
Capital Project	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	Source of funding
<b>Mayrise System Mobile Working</b> – Purchase of additional hardware and software to enable in-cab and mobile working.	0.02	0.02	0.02		Council
<b>Extra land at Borneo allotment</b> - The council has a statutory requirement to ensure there are enough allotments in the right place. Match funding required to secure external funding.	0.03	0.03			Council
<b>Restoration and Renovation of Broadway West Playing Fields</b> - Formal sports use was suspended at this site in 2003 following discovery of high levels of heavy metal contamination. Further more recent testing has been undertaken and proposals put forward in order to bring it back into beneficial use. Match funding required to secure external funding.		0.07			Council
<b>Arboretum Car Park</b> - The improvements will provide a high quality car park to support visitors to the borough's premier park proposing to introduce parking charges to reinvest in the wider park.	0.43				Council
<b>New wheeled bins</b> - Purchase of 31,015 new wheeled bins to support the revenue savings proposal to move to alternate weekly collections. This equates to 25,415 240L bins and 5,600 360L bins.	0.65				Council
<b>Total</b>	<b>1.13</b>	<b>0.12</b>	<b>0.02</b>	<b>0.00</b>	

There is an allocation of £300k on the reserve list for the resurfacing of the access and parking areas at Aldridge Airport, which will only be released in year should match funding be required to secure external funding towards this scheme.



## 5.3 Community, Leisure and Culture Portfolio Plan

### Summary of services within the portfolio

- Area Partnerships and Community Development
- Bereavement & Registration - Streetly Crematorium, 8 Cemeteries (Bentley, Bloxwich, James Bridge, North Walsall, Ryecroft, Streetly, Willenhall Lawn and Wood Street Cemetery), Registration service (Births, deaths and marriages), shared Black Country Coroner service (with Sandwell, Dudley and Wolverhampton), Post Mortem service through Walsall Manor Hospital
- Sport & Leisure - Oak Park Leisure Centre, Bloxwich Leisure Centre, Gala Baths, Darlaston Swimming Pool, Sneyd Watersports Centre, Walsall (Aldridge) Airport Environmental & Outdoor Education Centre, Sports & Health Development, Town Hall Management (Walsall & Darlaston), Development and Box Office, Behavioural Improvement team
- Catering - Management and delivery of the schools' catering service to 39 schools across the Borough, corporate catering/committee room teas, the Town Hall Restaurant and the 2<sup>nd</sup> floor Civic Centre café
- Technical, Safety & Admin - Overall health and safety management within Leisure & Community Health, administrative and business support
- Libraries - Operating through a network of 16 branch libraries, mobile library services and a school's library support service
- Museum services - Walsall Leather Museum
- Archive and local history services
- Arts services - The New Art Gallery, Forest Arts centre and music service & the Creative Development Team

### Portfolio Objectives/Outcomes/Purpose

We intend to invest along with our key partners, in building a stronger and more effective voluntary and community sector across the Borough, to support our overall objective of Walsall residents needing less help from the state.

The Leisure and Community Health Service seeks to maintain and improve the health and well-being of all Walsall's residents. This is delivered through the provision of a range of indoor and outdoor sports, leisure and recreation opportunities, the delivery of nutritional school meals, and ensuring the availability of sports and health development, outdoor education and behavioural improvement.

The objective is to get more people, more active, more often, becoming healthier, being happier whilst also achieving a variety of health improvements such as weight loss, smoking cessation, less stress and fewer days off sick.

Libraries Heritage and Arts will offer residents of all ages a wide range of facilities and cultural experiences to use and experience and help to make Walsall a place that they can enjoy and be proud to live in. Services will also offer children and young people opportunities to learn, discover and develop to fulfil their full potential.

In line with the priority to support business, libraries will continue to offer access to up to date business information and encourage new business by offering small business start up packs. Through free access to computers and basic skills courses they will help people develop their learning and skills to help them into employment.

## Financial summary

Table 22 details the revenue cash limits for the Community, Leisure and Culture Portfolio for the next four years. Full details of savings and efficiencies for 2016/17 and 2017/18 are shown in table 23. 2017/18 savings will require consultation and equality impact assessment prior to further consideration as part of the 2017/18 budget setting process.

<b>Table 22: Community, Leisure &amp; Culture Portfolio Cash limit 2016/17 – 2019/20</b>				
	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Opening cash limit	12.143	10.654	8.100	8.040
Base Budget Adjustment	(0.519)	0.000	0.000	0.000
Investment required to deliver savings	0.101	0.000	0.000	0.000
Less: Savings / efficiencies - see table 23	(1.071)	(2.554)	(0.060)	(0.150)
<b>Revised cash limit</b>	<b>10.654</b>	<b>8.100</b>	<b>8.040</b>	<b>7.890</b>

## Revenue savings and efficiencies

Table 23 details the revenue saving and efficiencies for Community, Leisure and Culture Portfolio for approval for 2016/17 and draft 2017/18 proposals.

<b>Table 23 : Savings and efficiencies</b>			
<b>Saving reference</b>	<b>Detail of saving / efficiency</b>	<b>2016/17 £</b>	<b>2017/18 £</b>
70	Reduce the maintenance budget and implement efficiencies at the New Art Gallery	10,000	
71	Reduced recruitment costs associated with New Art Gallery	1,500	
72	Reduce opening hours at the New Art Gallery (Policy) – now replaced with a Staffing reduction at the New Art Gallery	19,360	
73	Reduce exhibitions budget for the New Art Gallery:	5,000	
74	Consider Closure of 7 libraries across the borough and mobile library service. (Policy). Reduced saving from £328,854 following budget consultation. To be reduced by £145,845 in relation to the retention of one mobile library, with a revised route to be established and the piloting of open plus within Pleck library	183,009	159,058
75	Implementation of open+ technology in retained libraries to support opening hours and enable the more efficient deployment of staff. (Policy)		349,813
76	Restructure of library service management levels.		120,000
77	Cease operation of the creative development team unless it can be self sustaining by 2017/18. Reprofiled to bring forward £51,581 from 2017/18 to 2016/17.	51,581	66,998
78	Efficiency savings at Forest Arts Centre		100,000

<b>Saving reference</b>	<b>Detail of saving / efficiency</b>	<b>2016/17 £</b>	<b>2017/18 £</b>
79	Sports development to become self sufficient	61,934	61,934
80	Cease area management and area panels (Policy). Amended saving to redesign the service with a focused approach to the challenges faced by communities with area managers reducing from 6 to 5.	100,000	100,000
82	Increase income from a wider range of memorials available from bereavement services	10,000	
83	Introduce a British Citizenship application checking fee (Policy)	2,000	
84 / 81	Increase bereavement fees by 10% for cremations and 3% for burials. Operational saving 81 - proposed reduction in the councils contribution towards the cost of the coroners support has now been amended and merged with the bereavement fee in year 2.	125,000	20,000
85	Provide light refreshments at Streetly crematorium	1,000	
86	Provide an income stream from the use of the environmental levy (Policy)	100,000	
87	Leisure Centres to become self sufficient by 2018/19		777,576
88	3% increase in charges at all leisure facilities	14,333	2,867
89	Additional charges to cover the council's contribution to schools library support service above those charged for the core service. This will achieve full cost recovery.	39,848	
90	Registrars service to become self sufficient by 2018/19	11,208	20,000
91	Amended governance arrangements for sports and leisure services (Policy)		522,195
92	Potential transfer of community development to the voluntary sector		25,000
93	Staffing restructure within bereavement services to reflect the changing needs of the service	29,369	
94	Deletion of a full-time managers post	43,290	
95	Restructure of the sports and leisure management team	20,000	
96	Management restructure of the arts service	67,000	
97	Senior management savings – Libraries	65,027	
98	Staff savings in sport & health development		42,000
99	Senior management savings – Communities	60,988	
184 pt	Withdraw grant to the Walsall Citizens Advice Bureau for welfare advice. (Policy). Reduced saving from £100,000 in 2016/17 previously proposed, following budget consultation, subject to further work with voluntary sector partners.	50,000	187,290
	<b>Total</b>	<b>1,071,447</b>	<b>2,554,731</b>

## Capital investment

Table 24 details the capital investment for the Community, Leisure and Culture Portfolio over the next four years.

Table 24 : Community, Leisure and Culture Capital Investment 2016/17 – 2019/20					
Capital Project	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	Source of funding
<b>Libraries Universal Digital Offer</b> - Investment in a more rapid and interactive experience from technology that will keep pace with advancing technology and provide an up to date service which will meet their developing digital needs.	0.05				Council
<b>Active Living - Oak Park and Bloxwich Leisure Centres</b> - addresses the physical standard of the Council's current leisure centres, specifically the re-building of Oak Park and Bloxwich Leisure Centre – includes funding for asbestos and road junction work.	1.89				Council
<b>Pro-active Memorial Safety in Walsall cemeteries</b> - assist in ensuring that Walsall Council complies with statutory obligations to provide a safe environment in its eight borough cemeteries.	0.03	0.05	0.04	0.04	Council
<b>Leisure Management System</b> - provides both an immediate customer interface and also essential management information to effectively control and drive the service. The proposal is for a new Leisure Management System for Bloxwich & Oak Park Active Living Centres, Darlaston Swimming Pool, Walsall Gala Baths, Walsall and Darlaston Town Hall.		0.35			Council
<b>Willenhall Lawn Cemetery extension</b> - to fund professional services to develop land to the east of the existing cemetery to provide facilities to continue to inter the deceased at Willenhall Lawn Cemetery		0.29	1.26		Council
<b>Aldridge Airport - Residential Outdoor Education</b> - At present Walsall has no residential outdoor education delivery capacity and no formal relationship with out-of-borough providers. This project is to develop residential provision at the Aldridge Airport Activity Centre.		0.09			Council
<b>Open + in libraries</b> - Cost of implementing Open + to 7 retained libraries - this includes building works to bring Darlaston Library on to the ground floor only.	0.30				Council
<b>Heritage Centre for Walsall</b> – co-location of heritage services on the Leather Museum site with off site storage to create operational efficiencies and improvements in service to users. There may be a requirement to match fund this scheme from council sources in order to secure external funding.	0.23	2.00	1.00		External

Capital Project	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	Source of funding
<b>Active Living - Oak Park and Bloxwich Leisure Centres</b> – external contributions towards the new Active Living scheme	0.14				External
<b>Total</b>	<b>2.64</b>	<b>2.78</b>	<b>2.30</b>	<b>0.04</b>	

There is an allocation of £500k on the reserve list in each of 2016/17 and 2017/18 for the refurbishment of the town hall to increase its potential for lettings. This will be released in year subject to funding being confirmed and linked to council priorities.

## 5.4 Economy, Infrastructure and Development Portfolio Plan

### Summary of services within the portfolio

- Strategic Regeneration
- Development & Delivery
- Planning Services
- Integrated Facilities Management
- Regulatory Services - Trading Standards and Licensing, Environmental Health & Community Safety
- Engineering & Transportation provides a range of statutory and non-statutory services and is made up of several teams grouped within the two groups of Highways and Environment and Road Traffic Network.

### Portfolio Objectives / Outcomes / Purpose

“Create the conditions for sustained economic growth by supporting the growth of business and jobs in Walsall, ensuring Walsall people have the right skills and environment to make the most of opportunities”

#### Manage our assets well

- Stimulate private investment
- Support service delivery
- Reduce costs & liabilities

#### Support our town & district centres

- Improve footfall
- Increase investment
- Improve customer experience

#### Create the right sites for business

- Attract new business
- Retain existing business
- Raise external reputation of Walsall
- Create future supply
- Business friendly council

#### Support business growth

- Understand & respond to new & existing business needs
- Retain & increase jobs
- Promote Walsall to new investors

#### Address unemployment

- Reduce worklessness & resulting demands

- Raise aspirations
- Increase spending & demand in Walsall economy

#### Improve skills

- Improve chances of getting & keeping a job
- Improve future resilience & employment flexibility

#### New & better homes

- Respond to housing need
- Improve existing homes
- Create new homes

Note: - Delivery of the activities (all or in part) rely on our continued ability to attract external resources, either through grants or income for services delivered. Cuts in mainstream budgets together with the austerity measures planned by the Government will have adverse effects on our ability to maintain delivery of services. Where known these have been factored into this plan.

Transport services make a vital contribution to the local economy and serve as an important catalyst to aid its recovery. They are essential to enable efficient travel around the borough in a way that is both safe and convenient. Pollution control is vital to the quality of life of residents in general and to their health. Close coordination between this and traffic management is essential due to the impact of road traffic noise and air quality within the borough.

- We will continue to deal effectively with the poor condition of many of the Borough's roads and in so doing provide a durable solution which will help avoid more costly repairs in the longer term
- We will review town centre parking to balance the needs of visitors, traders and residents
- We will ensure the focus on road safety and, working with schools, ensure sustainable methods of travel assisting in meeting the health objectives
- We will continue the successful trials to provide more energy efficient street lighting without compromising on road safety.
- We will continue to manage traffic across the borough in an efficient manner to minimise congestion
- We will take enforcement action against double yellow parking outside schools and fine drivers who use bus lanes illegally
- We will address anti-social behaviour through more integrated work with partners including the police, trade associations and the third sector.

### **Financial summary**

Table 25 details the revenue cash limits for the Economy, Infrastructure and Development Portfolio for the next four years. Full details of savings and efficiencies for 2016/17 and 2017/18 are shown in table 26. 2017/18 savings will require consultation and equality impact assessment prior to further consideration as part of the 2017/18 budget setting process.

**Table 25: Economy, Infrastructure & Development Portfolio Cash limit 2016/17 – 2019/20**

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Opening cash limit	26.441	25.408	23.980	23.299
Base Budget Adjustment	0.869	0.000	0.000	0.000
Investment – markets income shortfall	0.170	0.000	0.000	0.000
Less: Savings / efficiencies - see table 26	(2.072)	(1.428)	(0.681)	(0.307)
<b>Revised cash limit</b>	<b>25.408</b>	<b>23.980</b>	<b>23.299</b>	<b>22.992</b>

### Revenue savings and efficiencies

Table 26 details the revenue saving and efficiencies for Economy, Infrastructure and Development Portfolio for approval for 2016/17 and draft 2017/18 proposals.

<b>Table 26 : Savings and efficiencies</b>			
<b>Saving reference</b>	<b>Detail of saving / efficiency</b>	<b>2016/17 £</b>	<b>2017/18 £</b>
100	Integrate the environmental health, trading standards and licensing and community safety teams.	154,000	148,000
101	Review of management and administrative support.	262,500	
102	Stationery saving	35,000	
103	Use of bus lane enforcement income	28,500	
104	Bus lane income	40,000	
105	General efficiency savings	20,410	
106	Reduced expenditure on print and design services.		43,000
107	Reduced traffic signs maintenance.		15,000
108	Management restructure	229,000	360,000
109	Consider reducing the maintenance of council car parks. (Policy)	15,000	
110	Consider reducing routine highways mtce 10% (Policy)	90,000	
111	Markets service to become self sufficient (Policy)		20,000
112	Reprocurement of the council's highways maintenance contract.		250,000
113	Facilities management (FM) - Review of structure	142,500	155,000
114	Further savings from the re-procurement of the highway maintenance contract		15,000
115	Full year effect of the capitalisation of the structural highways maintenance budget.	200,000	
116	Capitalise the remainder of the structural highways maintenance budget. (Policy)	247,904	
117	Capitalise the budget for maintaining roads that were previously trunk roads. (Policy)	112,841	
118	Increase shop rental income.	20,000	20,000
119	Increase the charge for district markets by £5 a stall. (Policy)	44,200	
120	Capitalise the remaining revenue elements of the salary costs of 4 employees in the highways maintenance team. (Policy)	50,000	

Saving reference	Detail of saving / efficiency	2016/17 £	2017/18 £
121	Parking Services – revised tariff structure for on street pay and display parking. (Policy)	25,000	
122	Develop alternative income streams or sources to cover costs	67,200	
123	Facilities Management (FM) - Increased income		20,000
124	Increase in the cost of parking permits.	12,000	12,000
126	Merge the strategic planning team with those of other Councils.		136,158
127	FM - Review of energy purchase and usage	50,000	25,000
128	Deletion of vacant posts.	58,000	
129	Increased income together with a restructure within the Development and Delivery Service.	40,000	92,153
130	Reduction in senior management	67,920	
131	Restructure within building control		72,000
132 / 125	Reduction of development management, (including land charges and technical support). Operational saving 125 for the proposed restructure of local land and property gazateer, naming and numbering and land terrier teams merged into 132.	60,300	45,000
	<b>Total</b>	<b>2,072,275</b>	<b>1,428,311</b>

## Capital investment

Table 27 details the capital investment for the Economy, Infrastructure and Development Portfolio over the next four years.

Table 27 : Economy, Infrastructure & Development Capital Investment 2016/17 – 2019/20					
Capital Project	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	Source of funding
<b><i>Traffic Signals - Replacement of obsolete traffic signal control equipment</i></b> – Prior year approval - the Council has a statutory duty to maintain all its traffic signal infrastructure and needs to begin a programme of planned pedestrian crossing replacements to ensure the safe and efficient movement of pedestrians across the borough	0.15	0.15	0.15	0.15	Council
<b><i>Highway Maintenance Programme</i></b> - As Highway Authority the Council has a legal responsibility to maintain the highway network. Failure to do so inevitably leads to a deterioration of our roads, increasing the likelihood of accidents and would ultimately expose the council to increased risk of third party claims.	2.81	2.81	2.81	2.81	Council



Capital Project	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	Source of funding
<b>Walsall Town Centre Public Realm Improvements</b> - public realm across the town centre varies greatly in quality, and suffers from a lack of consistency. It is proposed that the public realm across the town centre needs to be surveyed, with specific regard to the upcoming and future town centre developments.		1.00	1.00	1.50	Council
<b>Highway Maintenance DfT Challenge Fund Local Contribution</b> - The application for challenge funding revolved around the economic benefit of investment into the strategic highways of the region. In order to access this funding a contribution of 11% needs to be made from council resources. This will only be allocated once external funding has been secured.	0.21	0.21			Council
<b>Migration of existing Urban Traffic Control analogue communication network</b> - The communications network used to control parts of the traffic signal network has been in place for over 25 years and is based on obsolete analogue technology which is in urgent need for replacement.	0.13	0.13	0.13		Council
<b>Council Building Information Modelling (BIM) requirements</b> - From 2016 the Government has stated that it is a statutory requirement for all Government, Council and other Authorities to be compliant with BIM (Building Information Modelling).	0.27				Council
<b>Hatherton Road MSCP - structural survey</b> - This project will deliver the necessary structural survey required to ensure the short term safety of the car park – with a detailed options appraisal for its demolition either in part or full.	0.08	1.00	0.50		Council
<b>Smarter Workplaces</b> – Prior year approval - The concept of Smarter Workplaces was to reduce the Corporate estate from 23 to two buildings by staff working in a more agile manner; with opportunities to work from home, on site with customers, from appropriate “touchdown” points around the borough in addition to the Council House and Civic Centre.	0.22	0.08			Council
<b>LTP Highway Maintenance Programme</b> – distributed by the Integrated Transport Authority we have an extremely high profile duty to maintain our highways network.	2.40	2.40	2.40	2.40	External

Capital Project	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	Source of funding
<b>M6 Junction 10</b> – Prior year approval. Development to facilitate a business case to support the scheme. This will include detailed designs and contract documents that will enable a civil engineering contractor to be appointed by the Highways Agency to implement the scheme on behalf of the project partners.	0.65				Council
<b>LTP Highway Maintenance Programme</b> – distributed by the Integrated Transport Authority we have an extremely high profile duty to maintain our highways network.	2.40	2.40	2.40	2.40	External
<b>Highway Maintenance DfT Challenge Fund</b> - The DfT announced the results of the Challenge fund allocations in April 2015 for the next 3 years	1.60	1.80			External
<b>Integrated Transport Block (ITB)/Local Transport Plan (LTP) Programme 2016/17</b> - The programme is designed to address road safety issues, progress the Council's major scheme aspirations; and resource the required 'local contributions' to approved major schemes.	1.29				External
<b>Darlaston Strategic Development Area Access Project</b> - The project was developed in response to poor traffic access to and through the Darlaston Green area, especially for heavy goods vehicles.	0.54				External
<b>Growth Deal</b> - The Growth Deal will create the skills, connections and locations for further high value manufacturing success and support growth in the Black Country's automotive, aerospace and construction sectors.	44.00				External
<b>Total</b>	<b>54.35</b>	<b>9.58</b>	<b>6.99</b>	<b>6.86</b>	

There are further allocations on the reserve list, which will be released in year subject to funding being confirmed and linked to council priorities –

- Shop Maintenance £120k – relating to structural repairs and refurbishment prior to letting
- Regenerating Walsall £100k – to promote regeneration activity, including site investigations, obtaining outline planning consent, reclamation and/or demolition work. Also to support the capital receipts programme by preparing council owned land for sale.
- CCTV Public Space Surveillance System – to aid the councils duty to assist in the prevention, investigation and detection of crime. The presence of an effective CCTV system is a proven deterrent for anti social behaviour. Business case awaited.

- Promotion of Community Health and Safety £240k – Support to local schemes to create safer communities, requiring potential match funding to attract external resources.

## **5.5 Leader of the Council Portfolio Plan**

### **Summary of services within the portfolio**

#### *Communications*

- Media management
- Reputation management
- Communications strategy, planning and campaign delivery
- Media monitoring and evaluation and reporting
- Internal communications
- Social media
- Digital and websites (including: council websites and internet)

#### *Finance*

- Accountancy, financial reporting, financial management, financial systems, financial strategy and planning, budget setting, financial support and advice to directorates
- Risk and Insurance - claims handling, insurance fund management, risk management
- Treasury Management including cash management and banking
- Financial administration – Accounts payable and receivable, debt management and recovery

#### *Internal audit*

- Enable the Council to be financially stable, well governed, making the best use of money the Council is given, and providing the citizens and businesses of Walsall the services they require.

#### *Legal and Democratic Services*

- Legal Services providing legal advice and dealing with litigation
- Constitutional advice
- Administration of the council's formal decision-making processes
- Elections and electoral registration

### **Portfolio Objectives / Outcomes / Purpose**

#### *Communications*

To let me know what the council does and how I can access the 800 services delivered I need in a way that suits me.

To tell me (and a range of other customers, including the media) honestly what the council is doing.

To provide a two-way communications service to internal departments and to support them in the delivery of their service priorities.

## Finance

To enable the council to be financially stable, well governed, making the best use of money the council is given, and providing the citizens and businesses of Walsall with the services they require.

### Objectives for Support Services

We are taking a customer-focused approach to our work to re-design support services to make them fit for purpose for our future organisation. Our work to understand purpose from the customer perspective and to understand customer demand over the last few months has led to two working purposes for our support services; 'Help me when I need it – right, fast and simple' and 'Spend my council tax money wisely'.

Our intention is to continue to work to understand at a much greater level of detail the demand from our customers going forwards so that we can empower our staff and re-design our services to help to deliver the best possible public services. From what we know already, we expect underlying principles of our continued re-design to include:

- Increasing integration of support services with public service delivery – to ensure real end-to-end service delivery for the customers and businesses of Walsall
- Collaborative, multi-functional advice and support easily obtained.
- Ready access for our customers to the help and advice that they need at first point of contact – not having to speak to several people in order to get to the help that is needed.
- Our staff having optimum flexibility to give customers the help they need in the way they need it

Clearly, the needs from support services will be derived very largely from the changes made to direct public service delivery and so a collaborative approach will be needed with all executive directors to bring forward complementary savings options going forwards.

### Financial summary

Table 28 details the revenue cash limits for the Leader of the Council Portfolio for the next four years. Full details of savings and efficiencies for 2016/17 and 2017/18 are shown in table 29. 2017/18 savings will require consultation and equality impact assessment prior to further consideration as part of the 2017/18 budget setting process.

<b>Table 28: Leader of the Council Portfolio Cash limit 2016/17 – 2019/20</b>				
	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Opening cash limit	8.084	5.354	4.684	3.390
Base Budget Adjustment	0.279	0.000	0.000	0.000
Less: Savings / efficiencies - see table 29	(3.009)	(0.670)	(1.294)	(1.313)
<b>Revised cash limit</b>	<b>5.354</b>	<b>4.684</b>	<b>3.390</b>	<b>2.077</b>

The above cash limit represents the net budget for the portfolio, which includes central support services recharge income of £6.781m.

## Revenue savings and efficiencies

Table 29 details the revenue saving and efficiencies for Leader of the Council Portfolio for approval for 2016/17 and draft 2017/18 proposals.

<b>Table 29 : Savings and efficiencies</b>			
<b>Saving reference</b>	<b>Detail of saving / efficiency</b>	<b>2016/17 £</b>	<b>2017/18 £</b>
54 pt	Leasing element of changes to domestic waste collections	56,250	
133	Review of insurance premiums	229,000	
134	Debt portfolio review – increased by £250,000	1,210,000	
135	Improved efficiency through better use of technology within Democratic Services	52,000	
136	Increase in income by the insurance team	37,337	61,293
137	Dividend review – Birmingham Airport – increased by £200,000	439,911	200,461
138	Increased income from schools for financial advice and support	30,000	
139	Establish new Assurance service by merging several existing teams	153,218	
140	Review and restructure of staffing across finance	523,911	361,387
141	Review and restructure of management and staff posts across Democratic Services.	203,854	
142	Senior management savings across Change and Governance	63,605	
186	Outsource internal audit & risk contract		47,000
188 pt	Downsizing of teams within Programme Delivery – Communications element	9,611	
	<b>Total</b>	<b>3,008,697</b>	<b>670,141</b>

## 5.6 Learning Skills and Apprenticeships Portfolio Plan

### Summary of services within the portfolio

#### Access & Achievement

#### Education Services

- School Improvement
- Access & Attendance and Education Welfare
- Virtual School for Looked After Children
- Integrated Behaviour Support

#### Youth Support Services

- Information Advice and Guidance
- Targeted Youth Support
- Youth Justice Service
- Positive Activities for young people
- Active Involvement
- Education Business Partnership
- Teenage Pregnancy, Prevention & Support
- Parent Partnership Service

### Commissioning

- Children's Commissioning Activity
- Contract Management
- Commissioning Intelligence & Monitoring
- School Transport Co –ordination

### **Portfolio Objectives / Outcomes / Purpose**

#### *Our Key Priorities linked to the Education Improvement Plan:-*

- Work to ensure all Walsall schools are good or outstanding.
- Improve the quality of teaching and learning.
- Narrow the gap for those children who are vulnerable to underachievement and potential exclusion.
- Ensure that all children make as much progress as they can and to achieve standards that are in line with national expectations.
- Support the achievement of children within and between educational phases.
- Work better together to improve children's behaviour, care, safeguarding and attendance to maximise their learning.
- Improve schools' and pupil achievement through high quality school to school improvement support.
- Strengthen school leadership and management.
- Strengthen school governance.

In line with the council's commitment to improve residents' prospects to secure and retain work, manage their own health and wellbeing and be active citizens, Walsall Adult and Community College offers a range of courses that address skills for life, skills for employment, and skills for active citizenship as well as Apprenticeship training designed and delivered in collaboration with local employers.

### **Financial summary**

Table 30 details the revenue cash limits for the Learning Skills and Apprenticeships Portfolio for the next four years. Full details of savings and efficiencies for 2016/17 and 2017/18 are shown in table 31. 2017/18 savings will require consultation and equality impact assessment prior to further consideration as part of the 2017/18 budget setting process.

<b>Table 30: Learning Skills &amp; Apprenticeships Portfolio Cash limit 2016/17 – 2019/20</b>				
	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Opening cash limit	12.434	10.056	8.748	8.357
Base Budget Adjustment	(0.313)	0.000	0.000	0.000
<b>Investment – Children's Services</b>				
- Fall out of ESG	0.246	0.000	0.000	0.000
- Premature Retirements reduction	(0.176)	0.000	0.000	0.000
Less: Savings / efficiencies - see table 31	(2.135)	(1.308)	(0.391)	(0.921)
<b>Revised cash limit</b>	<b>10.056</b>	<b>8.748</b>	<b>8.357</b>	<b>7.436</b>

## Revenue savings and efficiencies

Table 31 details the revenue saving and efficiencies for Learning Skills and Apprenticeships Portfolio for approval for 2016/17 and draft 2017/18 proposals.

<b>Table 31 : Savings and efficiencies</b>			
<b>Saving reference</b>	<b>Detail of saving / efficiency</b>	<b>2016/17 £</b>	<b>2017/18 £</b>
34	Re-design of access & attendance services within children's services	46,424	46,424
35	De-layering of children's senior management structure - also in care and safeguarding £213,569	88,166	
36	Restructure of children's services commissioning and brokerage teams - £95k also in care and safeguarding	95,000	
143	Reduce business support functions within children centres		61,232
145	Redesign Youth Support Services (YSS): Targeted Youth Work – full year effect (FYE) of 2015/16. Separate report to Cabinet October 2015.	580,000	
147	Parent partnership service - review service, ensuring appropriate alignments to other SEND activity	10,000	
150	Consider Ceasing Youth Opinion Unite Service (Policy)	77,000	
151	Continue to review targeted youth work (TYW) (Policy)		266,500
152 / 163	Continue to review information, advice and guidance (IAG) service (Policy)	418,000	
154	Reduction in premature retirements budget (teachers pension)	150,000	
157	Reduce non traded service by potentially 50%,	26,700	
158	Consider utilisation of dedicated school grant under spend subject to School Forum and Secretary of State approval		807,214
160	Targeted youth work – delivering commissioning differently	50,000	
161	Redesign governance support to become cost neutral	26,500	26,500
164	Seek to fund remaining youth services via dedicated schools grant	45,000	
165	Reduce costs and work with public health to consider use of related transformation monies	18,000	
166	Redesign education welfare support service to become cost neutral	259,973	
167	Reduce school improvement service (SIP)		100,000
169	Reduce virtual school service subject to Secretary of State approval	244,607	
	<b>Total</b>	<b>2,135,370</b>	<b>1,307,870</b>

## Capital investment

Table 32 details the capital investment for the Learning Skills and Apprenticeships Portfolio over the next four years.

<b>Table 32 : Learning Skills &amp; Apprenticeships Capital Investment 2016/17 – 2019/20</b>					
<b>Capital Project</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Source of funding</b>
<b>Basic Need</b> - Estimated allocation based on 2015/16 award	4.61	4.10	4.10	4.10	External
<b>Devolved Formula Capital</b> - Estimated allocation based on 2015/16 award	0.57	0.57	0.57	0.57	External
<b>Capital Maintenance</b> - Estimated allocation based on 2015/16 award	2.42	2.42	2.42	2.42	External
<b>Total</b>	<b>7.60</b>	<b>7.09</b>	<b>7.09</b>	<b>7.09</b>	

## 5.7 Personnel and Business Support Portfolio Plan

### Summary of services within the portfolio

#### *Human Resources (HR)*

- HR Direct – recruitment, payroll, pensions and transactional HR services
- HR Specialist Services – HR advisors (directorate support), health & safety, HR policy and job evaluation, wellbeing and equality and learning and development
- Payroll and HR advice to schools

### Portfolio Objectives / Outcomes / Purpose

#### *Human resources*

- Human Resources will work with local community partners to promote 'local jobs for local people'; continue to engage and involve staff; reduce sickness absence within WMBC; support a healthy workforce and to continue to manage the TUPE transfers in and out of services. HR will support council services in pay & grading, restructuring and realignment of services

#### *Objectives for support services*

We are taking a customer-focused approach to our work to re-design support services to make them fit for purpose for our future organisation. Our work to understand purpose from the customer perspective and to understand customer demand over the last few months has led to two working purposes for our support services; 'Help me when I need it – right, fast and simple' and 'Spend my council tax money wisely'.

Our intention is to continue to work to understand at a much greater level of detail the demand from our customers going forwards so that we can empower our staff and re-design our services to help to deliver the best possible public services. From what we know already, we expect underlying principles of our continued re-design to include:

- Increasing integration of support services with public service delivery – to ensure real end-to-end service delivery for the customers and businesses of Walsall
- Collaborative, multi-functional advice and support easily obtained.



- Ready access for our customers to the help and advice that they need at first point of contact – not having to speak to several people in order to get to the help that is needed.
- Our staff having optimum flexibility to give customers the help they need in the way they need it
- Effective use of ICT to assist our customers where it can be shown to meet their needs and add real value for them, not for the sake of ‘cheapness’ (which would be huge false economy).

Clearly, the needs from support services will be derived very largely from the changes made to direct public service delivery and so a collaborative approach will be needed with all executive directors to bring forward complementary savings options going forward.

### Financial summary

Table 33 details the revenue cash limits for the Personnel and Business Support Portfolio for the next four years. Full details of savings and efficiencies for 2016/17 and 2017/18 are shown in table 34. 2017/18 savings will require consultation and equality impact assessment prior to further consideration as part of the 2017/18 budget setting process.

<b>Table 33: Personnel &amp; Business Support Portfolio Cash limit 2016/17 – 2019/20</b>				
	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Opening cash limit	0.560	0.334	0.263	0.182
Base budget adjustment	0.206	0.000	0.000	0.000
Less: Savings / efficiencies - see table 34	(0.432)	(0.071)	(0.081)	(0.039)
<b>Revised cash limit</b>	<b>0.334</b>	<b>0.263</b>	<b>0.182</b>	<b>0.143</b>

The above cash limit represents the net budget for the portfolio, which includes central support services recharge income of £3.599m.

### Revenue savings and efficiencies

Table 34 details the revenue saving and efficiencies for Personnel and Business Support Portfolio for approval for 2016/17 and draft 2017/18 proposals.

<b>Table 34 : Savings and efficiencies</b>			
<b>Saving reference</b>	<b>Detail of saving / efficiency</b>	<b>2016/17 £</b>	<b>2017/18 £</b>
171	Operational changes across Human Resources	382,338	71,000
172	Reduction in trade union facility time	50,000	
	<b>Total</b>	<b>432,338</b>	<b>71,000</b>

## 5.8 Public Health and Wellbeing Portfolio Plan

### Summary of services within the portfolio

#### Health Improvement:

- Sexual health services - contraception
- Sexual health services - advice, prevention and promotion
- NHS health check programme
- Programmes and services to reduce levels of adult obesity
- Programmes and services to reduce levels of childhood obesity
- National child measurement programme
- Nutrition initiatives including promotion of breastfeeding
- Programmes and services to increase adult physical activity levels
- Programmes and services to increase children's physical activity levels
- Adult Drug misuse - prevention and treatment programmes
- Adult Alcohol misuse - prevention and treatment programmes
- Drug and alcohol prevention and treatment services – young people
- Smoking and tobacco - Stop smoking services and interventions
- Smoking and tobacco - Wider tobacco control
- Children 5–19 public health programmes including the School Nursing Service
- Health and work, including the Healthy Workplace Programme
- Programmes to prevent accidents including falls prevention
- Public mental health promotion
- Dental public health promotion
- Water fluoridation

#### Health Protection:

- Sexual health services – Sexually transmitted infection testing and treatment
- Local authority role in health protection
- Local authority role in surveillance and control of infectious disease
- Public health aspects of environmental hazards protection
- Health emergency planning including cold weather and heat wave planning

#### Healthcare Public Health:

- Interventions to identify and reduce risk of disease by screening
- Actions to mitigate poor physical and mental health
- Actions to reduce long term disability and loss of independence
- Specialist public health advice
- Improving primary care

#### General prevention activities

- Community safety, violence prevention and social exclusion
- Local initiatives to reduce excess deaths from seasonal mortality
- Population level interventions to reduce and prevent birth defects (supporting role)
- Wider determinants of health

#### Information and Intelligence

- Population needs assessment and strategy

## **Portfolio Objectives / Outcomes / Purpose**

Walsall Council receives a ring fenced grant from the Department of Health, via Public Health England (PHE), to enable the council to discharge its statutory duty to achieve population level improvements in public health. In 2015/16 the council received an allocation of £15.8 million.

The Public Health grant is provided to the council to discharge its responsibilities to:

- Improve significantly the health and wellbeing of local populations
- Carry out health protection and health improvement functions delegated from the Secretary of State
- Reduce health inequalities across the life course, including within hard to reach groups
- Ensure the provision of population healthcare advice.

Our key priorities, informed by the Joint Strategic Needs Assessment and outlined in the Walsall Health and Wellbeing Strategy, are to:

1. Improve health and wellbeing in Walsall
2. Reduce health inequalities
3. Give every child the best start in life
4. Improve health and wellbeing through healthy lifestyles: Making 'healthier choices easier'
5. Reduce the burden of preventable disease, disability and death
6. Promote healthy ageing and independent living

In 2015/16, £1.3m of the Public Health grant was released into a Transformation Fund, through a process of disinvestment in some existing Public Health services. This was in addition to £1m investment in 2014/15. Money released in this way has been reinvested across council service areas and has been commissioned to deliver Public Health outcomes.

The Public Health Transformation Fund aims to:

- Support the delivery of priority local health and wellbeing activities
- Facilitate collaborative and integrated approaches to population health and wellbeing
- Improve value for money by evaluating the outcomes of activities and the associated impact on Walsall residents, the Council and its partners.
- Leverage wider public health benefits across the far larger spend of Walsall Council.

## **Financial summary**

Public Health Grant for 2015/16 was £16.8m. This was reduced in year in line with on-going government cuts by £1.1m and the savings shown in Table 35 offset this reduction. As yet we have not had any notification of the level of funding for 2016/17 but further cuts are expected over the next 4 years. The savings shown for 2017/18 will offset any further reductions in grant in 2016/17 and 2017/18 and any remaining balance will be utilised to support the council's revenue budget.

## Revenue savings and efficiencies

Table 35 details the revenue saving and efficiencies for Public Health and Wellbeing Portfolio for approval for 2016/17 and draft 2017/18 proposals which will require consultation and equality impact assessment prior to further consideration as part of the 2017/18 budget setting process.

<b>Table 35 : Savings and efficiencies</b>			
<b>Saving reference</b>	<b>Detail of saving / efficiency</b>	<b>2016/17 £</b>	<b>2017/18 £</b>
174	Drugs and alcohol - reduce capacity of services	70,000	150,000
175	Lifestyle services - procure more integrated model of service delivery (Policy). Separate report to Cabinet December 2015 and subject to a procurement exercise and report back to Cabinet for approval.	260,000	
176	Sexual health reprocurement - demand management and integration of services	350,000	
177	Reduce spend on public health services in schools e.g. school nursing, mental health, sexual health programmes (Policy). Year 1 saving to be found from existing underspends.	79,000	225,000
178	Recommissioning of 0 - 5 years service (Policy)		400,000
179	Decommission services provided by domestic violence forum (linked to proposal 24 & 26)	30,000	
180	Achieve efficiencies through proposal to establish a charitable body to deliver welfare advice and support (linked with proposal 184)	40,000	75,000
181	Generate efficiencies in current transformation fund schemes	86,350	225,000
182	Generate income from public health advice and intelligence services / reduce staffing	100,000	
183 / 173	General efficiencies from admin, training, IT licences etc.	90,000	
	<b>Total</b>	<b>1,105,350</b>	<b>1,075,000</b>

## 5.9 Shared Services and Procurement Portfolio Plan

### Summary of services within the portfolio

#### *Procurement*

- Advice, guidance and practical support to enable effective procurement across the organisation

#### *Information and Communications Technology (ICT)*

- ICT Services and Support
- Print & Design

#### *Programme Delivery and Governance*

- Business Information and Intelligence, Business Analysis, service re-design
- Systems thinking training

- Programme and Project Management
- Governance Reviews - (of strategic programmes or projects)
- Freedom of Information Act/Data Protection Act - (co-ordination and management of all enquiries)
- Customer Complaints - statutory - (Social Care and Children's) and non-statutory
- Ombudsman - (co-ordination and management of issues and relationship with Ombudsman)
- Policy co-ordination - (maintenance of strategies and policy database, production and distribution of monthly policy round-up and legislation tracker, ad hoc support to policy development)
- Strategic Planning (production of Corporate Plan and contribution to other strategic documents)

#### *Money, Home, Job*

- Advice, customer application support, assessment, revision, payment, recovery of overpayments, customer queries, complaints and appeals of the following benefits and reliefs:-
  - Housing benefit
  - Council tax reduction scheme
  - Discretionary housing payments
  - Free school meals
- Disabled Persons' Parking permits (Blue Badge)
- The Crisis Support scheme
- The prevention, detection and investigation of benefit fraud and error, including the application of sanctions.
- Council tax - billing, collection, recovery and enforcement
- Non domestic rates (business rates) - billing, collection, recovery and enforcement
- Welfare rights– income maximisation, debt advice
- Supported Housing and homelessness
- Housing Standards and Improvements
- The First Stop Shop at the Civic Centre
- The Council's contact centre and switchboard
- Banking hall – corporate income collection service and social care payments

### **Portfolio Objectives / Outcomes / Purpose**

#### *Procurement*

- To help my council procure the best value for money.

#### *ICT*

- To allow me to access council services that are efficient at a time and place that I choose.

#### *Programme Delivery and Governance*

- To listen to what I tell the council and help change the council to focus on me.

#### *Money, Home, Job*

The purpose of this service is: 'Help me with my money, my home, my job'.

The service helps people to become or remain independent and assists them with extra help when they fall into crisis and helps them to get back on their feet.

The service increasingly integrates what used to be stand-alone services so that the resident or business that needs help from the council receives a customer-focused service that addresses all of their needs in a streamlined way, making best use of public money in the round.

### *Objectives for support services*

We are taking a customer-focused approach to our work to re-design support services to make them fit for purpose for our future organisation. Our work to understand purpose from the customer perspective and to understand customer demand over the last few months has led to two working purposes for our support services; 'Help me when I need it – right, fast and simple' and 'Spend my council tax money wisely'.

Our intention is to continue to work to understand at a much greater level of detail the demand from our customers going forwards so that we can empower our staff and re-design our services to help to deliver the best possible public services. From what we know already, we expect underlying principles of our continued re-design to include:

- Increasing integration of support services with public service delivery – to ensure real end-to-end service delivery for the customers and businesses of Walsall
- Collaborative, multi-functional advice and support easily obtained.
- Ready access for our customers to the help and advice that they need at first point of contact – not having to speak to several people in order to get to the help that is needed.
- Our staff having optimum flexibility to give customers the help they need in the way they need it
- Effective use of ICT to assist our customers where it can be shown to meet their needs and add real value for them, not for the sake of 'cheapness' (which would be huge false economy).

Clearly, the needs from support services will be derived very largely from the changes made to direct public service delivery and so a collaborative approach will be needed with all executive directors to bring forward complementary savings options going forwards.

### **Financial summary**

Table 36 details the revenue cash limits for the Shared Services and Procurement Portfolio for the next four years. Full details of savings and efficiencies for 2016/17 and 2017/18 are shown in table 37. 2017/18 savings will require consultation and equality impact assessment prior to further consideration as part of the 2017/18 budget setting process.

<b>Table 36: Shared Services and Procurement Portfolio Cash limit 2016/17 – 2019/20</b>				
	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Opening cash limit	10.311	10.646	8.334	8.034
Base Budget Adjustment	1.439	0.000	0.000	0.000
Investment – Money home job	0.220	0.000	0.000	0.000
Fall out of Housing Benefit Admin Grant	0.145	0.137	0.000	0.000
Less: Savings / efficiencies - see table 37	(1.469)	(2.449)	(0.300)	(0.300)
<b>Revised cash limit</b>	<b>10.646</b>	<b>8.334</b>	<b>8.034</b>	<b>7.734</b>

The above cash limit represents the net budget for the portfolio, which includes central support services recharge income of £6.645m.

## Revenue savings and efficiencies

Table 37 details the revenue saving and efficiencies for Shared Services and Procurement Portfolio for approval for 2016/17 and draft 2017/18 proposals.

<b>Table 37 : Savings and efficiencies</b>			
<b>Saving reference</b>	<b>Detail of saving / efficiency</b>	<b>2016/17 £</b>	<b>2017/18 £</b>
184 pt	Establish a charitable body to deliver welfare advice and support.		200,000
185	Review of council tax reduction scheme (Council decision)		1,613,669
187	Restructuring of teams across ICT	657,365	351,244
188 pt	Review and restructure of teams within programme governance and delivery	196,807	187,000
189	Review and restructure across Money, Home, Job service – increased by £68k in 2016/17 and £22k in 2017/18	614,848	97,000
	<b>Total</b>	<b>1,469,020</b>	<b>2,448,913</b>

## Capital investment

Table 38 details the capital investment for the Shared Services and Procurement Portfolio over the next four years.

<b>Table 38 : Shared Services &amp; Procurement Capital Investment 2016/17 – 2019/20</b>					
<b>Capital Project</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Source of funding</b>
<b><i>Customer facing services being accessed by citizens electronically (SQL)</i></b> - upgrading to a new version of SQL means that systems will remain protected and will also enable business continuity and disaster recovery for a selected number of core business system databases.	0.05				Council
<b><i>Data backup system replacement</i></b> - the council needs to replace the current backup system by 2017 which is nearing the end of its support life.	0.22				Council
<b><i>Money, Home, Job (MHJ)- core IT system hardware and support refresh</i></b> - the computer system used by MHJ is running on hardware that is almost seven years old - should it fail it can't be repaired and Money Home Job will be left without a computer system to carry out their day to day work.	0.05				Council
<b><i>Data Centre Air Conditioning</i></b> - there is an opportunity to modify air conditioning arrangements within the Data Centre in order to reduce power consumption and to maintain the cooling of computers.	0.13				Council

Capital Project	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	Source of funding
<b>Data Centre Power Backup</b> - the project is to invest in a backup power supply for the data centre so that if power is lost to the Civic Centre, or when planned maintenance work is carried out, we will be less likely to lose any IT services.	0.31				Council
<b>Disabled Facilities Grant</b> – 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.	1.63	1.63	1.63	1.63	External
<b>Total</b>	<b>2.39</b>	<b>1.63</b>	<b>1.63</b>	<b>1.63</b>	

There is a further allocation of £300k on the reserve list for 2016/17 for the retendering of ICT Wide Area Network Connections which is currently under review, which will be released in year subject to funding being confirmed and linked to council priorities.



**ANNEX 1: SUMMARY OF CORPORATE REVENUE BUDGET 2016/17 BY PORTFOLIO**

<b>PORTFOLIO / SERVICE / LEVY ETC.</b>	<b>2015/16 BASIC FORECAST £</b>	<b>IN YEAR MOVEMENTS £</b>	<b>NEW SAVINGS £000</b>	<b>COST / FUNDING PRESSURES £000</b>	<b>2016/17 FORECAST BUDGET £000</b>
Care and Safeguarding	102,224,512	157,083	-11,398,730	20,988,141	111,971,006
Clean and Green	20,482,433	-75,285	-1,440,404	966,000	19,932,744
Community, Leisure and Culture	12,143,266	-518,662	-1,071,447	101,000	10,654,157
Economy, Infrastructure and Development	26,441,461	868,689	-2,072,275	170,000	25,407,875
Leader of the Council	8,083,844	279,729	-3,008,697	0	5,354,876
Learning Skills and Apprenticeships	12,434,232	-313,248	-2,135,370	70,000	10,055,614
Personnel and Business Support	560,536	206,252	-432,338	0	334,450
Public Health and Wellbeing	0	0	-1,105,350	1,105,350	0
Shared Services and Procurement	10,310,985	1,438,981	-1,469,020	365,000	10,645,946
<b>SUB TOTAL SERVICES</b>	<b>192,681,269</b>	<b>2,043,539</b>	<b>-24,133,631</b>	<b>23,765,491</b>	<b>194,356,668</b>
Capital Financing	733,698	0	0	0	733,698
Non-service specific prudence/central items	-112,636,229	-2,604,361	-1,235,000	10,114,660	-106,360,930
<b>SUB TOTAL CENTRAL ITEMS</b>	<b>-111,902,531</b>	<b>-2,604,361</b>	<b>-1,235,000</b>	<b>10,114,660</b>	<b>-105,627,232</b>
<b>Levies:</b>					
PTE	12,849,678	0	0	-662,772	12,186,906
Environment Agency	74,551	0	0	0	74,551
<b>NET REVENUE EXPENDITURE</b>	<b>93,702,967</b>	<b>-560,822</b>	<b>-25,368,631</b>	<b>33,217,379</b>	<b>100,990,893</b>
(Use of)/contribution to reserves	0	0	0	0	0
<b>GRAND TOTAL COUNCIL TAX REQUIREMENT</b>	<b>93,702,967</b>	<b>-560,822</b>	<b>-25,368,631</b>	<b>33,217,379</b>	<b>100,990,893</b>

## ANNEX 2: COUNCIL TAX DATA 2016/17

### 1. COUNCIL TAX EXCLUDING PRECEPTS (WALSALL COUNCIL ONLY)

#### A. LEVELS FOR PROPERTIES WITH TWO OR MORE RESIDENTS (67% of Properties)

BAND	WEIGHT	2015/16 C.TAX	2016/17 C.TAX	ANNUAL CHANGE	ANNUAL INCREASE
		£	£	£	%
A	6/9	958.88	997.14	38.26	3.99%
B	7/9	1,118.69	1,163.33	44.64	3.99%
C	8/9	1,278.51	1,329.52	51.01	3.99%
<b>D</b>	<b>9/9</b>	<b>1,438.32</b>	<b>1,495.71</b>	<b>57.39</b>	<b>3.99%</b>
E	11/9	1,757.95	1,828.09	70.14	3.99%
F	13/9	2,077.57	2,160.47	82.90	3.99%
G	15/9	2,397.20	2,492.85	95.65	3.99%
H	18/9	2,876.64	2,991.42	114.78	3.99%

### 2. OVERALL COUNCIL TAX INCLUSIVE OF PRECEPTS

#### A. LEVELS FOR PROPERTIES WITH TWO OR MORE RESIDENTS (67% of Properties)

BAND	WEIGHT	2015/16 TOTAL C.TAX	2016/17 WMBC C.TAX	ESTIMATE - ACTUAL T.B.A		OVERALL (INC PRECEPTS)
				2016/17 FIRE PRECEPT	2016/17 POLICE PRECEPT	2016/17 TOTAL C.TAX
		£	£	£	£	£
A	6/9	1,066.53	997.14	37.34	74.36	1,108.84
B	7/9	1,244.29	1,163.33	43.56	86.76	1,293.65
C	8/9	1,422.05	1,329.52	49.79	99.15	1,478.46
<b>D</b>	<b>9/9</b>	<b>1,599.81</b>	<b>1,495.71</b>	<b>56.01</b>	<b>111.55</b>	<b>1,663.27</b>
E	11/9	1,955.32	1,828.09	68.46	136.34	2,032.89
F	13/9	2,310.83	2,160.47	80.90	161.13	2,402.50
G	15/9	2,666.34	2,492.85	93.35	185.91	2,772.11
H	18/9	3,199.61	2,991.42	112.00	223.10	3,326.52

**B. LEVELS FOR PROPERTIES WITH ONE RESIDENT (25% DISCOUNT) (33% of Properties)**

				ESTIMATE - ACTUAL T.B.A		OVERALL (INC PRECEPTS)
BAND	WEIGHT	2015/16 TOTAL  C.TAX	2016/17 WMBC  C.TAX	2016/17 FIRE  PRECEPT	2016/17 POLICE PRECE PT	2016/17 TOTAL  C.TAX
		£		£	£	£
A	6/9	799.90	747.86	28.01	55.78	831.65
B	7/9	933.22	872.50	32.67	65.07	970.24
C	8/9	1,066.54	997.14	37.34	74.37	1,108.85
D	9/9	1,199.86	1,121.78	42.01	83.66	1,247.45
E	11/9	1,466.49	1,371.07	51.34	102.25	1,524.66
F	13/9	1,733.12	1,620.35	60.68	120.85	1,801.88
G	15/9	1,999.75	1,869.64	70.01	139.44	2,079.09
H	18/9	2,399.71	2,243.57	84.02	167.33	2,494.92

**3. SPREAD OF PROPERTIES**

The proportion of properties within Walsall MBC within each Council Tax band at 1st December 2015 is as follows:

BAND	A	B	C	D	E	F	G	H	TOTAL
PROPERTIES (No)	50,124	26,275	17,701	10,032	5,576	2,376	757	53	112,894
PROPERTIES (%)	44.40	23.27	15.68	8.89	4.94	2.10	0.67	0.05	100
CUMULATIVE TOTALS	67.67%								
	83.35%								
	92.24%								

**4. WEEKLY INCREASE IN COUNCIL TAX (WALSALL MBC ELEMENT)**

BAND	A	B	C	D	E	F	G	H
£	0.73	0.86	0.98	1.10	1.35	1.59	1.83	2.20

## **ANNEX 3**

### **CHIEF FINANCE OFFICER (CFO) REPORT ON ROBUSTNESS OF THE BUDGET AND ADEQUACY OF RESERVES - SUPPORTING INFORMATION**

#### **Context**

In accordance with the Local Government Act 2003 (S25-S27) and to comply with CIPFA guidance on local authority reserves and balances, the Chief Finance Officer is required to formally report to members on the robustness of the budget and the adequacy of reserves. The CFO is appropriately qualified under the terms of S113 of the Local Government Finance Act 1988. In signing off this overall revenue budget report, the signature of the Assistant Director of Finance who holds the post of CFO constitutes the formal declaration required under the Act that these conditions are met (based on the available information at the time of signing).

#### **Adequacy of reserves**

The CFO assesses and determines the appropriate level of reserves (including schools reserves), provisions and contingencies using a variety of mechanisms, including;

- Being significantly involved in the budget setting process, the annual financial cycle, and engaged in the strategic leadership of the organisation as an attendee of the corporate management team;
- The annual refresh of the medium term financial outlook. Challenging the budget at various stages of construction, including the reasonableness of the key budget assumptions, such as estimates of financial pressures, realism of income targets, robustness of plans to deliver savings, and the extent to which known trends and liabilities are provided for;
- Meetings with specific colleagues and partners to examine particular areas or issues;
- Review of the corporate and service financial risk assessments;
- Review of the movements, trends and availability of contingency, provisions and earmarked reserves to meet unforeseen cost pressures in the context of future pressures and issues;
- The use of professional experience and best professional judgement;
- The use of appropriate professional, technical guidance and local frameworks (CIPFA guidance, LAAP55, Local Government Act 73, Localism Act 2011);
- Knowledge of the colleagues involved in the process, particularly finance professionals, including their degree of experience and qualifications;
- Review of the strength of financial management and reporting arrangements, including internal control and governance arrangements.
- Review of the current year's financial performance in services and known future service delivery changes, the level of schools reserves and financial performance of schools.

This is undertaken in consultation with relevant colleagues and the Cabinet portfolio holder for finance.

It is prudent for councils to maintain an adequate level of general reserves. A risk assessed approach is used to determine the required level of general and earmarked reserves, contingencies and provisions. The combined medium term financial strategy (MTFS), Cabinet budget meetings and budget preparation processes have previously

been identified by the Audit Commission as areas of good practice to be shared nationally. The fourteenth edition of the MTFS was approved by Cabinet in July 2014. Reserves and contingencies are addressed within the strategy, demonstrating our acknowledgement of the importance of sound governance and the priority this issue is given.

The level of contingency is set as follows:

- Revenue - A central contingency of between 0.1% and 0.15% of the year's gross revenue budget will be established for each financial year, the precise level being informed by risk assessment and set by the Chief Finance Officer (CFO). For 2016/17 this is to be set at £740k.
- Capital - a prudent central contingency will be set, not exceeding 10% of the annual council funded element of the capital programme requirement, to accommodate unforeseen / unbudgeted expenditure (i.e. where, due to the level of uncertainty, the financial impact is not certain at the time of setting the programme). The exact level to be determined by a risk assessment and set by the CFO in consultation with the portfolio holder for finance. The contingency will be funded from an annual revenue contribution to capital outlay from the project reserve. For 2016/17 this is to be set at £1m.

The level of general reserves, in the same way as central contingency, is index linked to the level of the gross revenue budget and continues to be informed by an annual risk assessment. The council will have opening general reserves as required by the MTFS; the precise level determined by risk assessment. The minimum opening balance required @ 01.04.2016 is c£6.2million whilst the maximum is c£12.4million. Reserves will be within the MTFS requirements. The financial risk assessment undertaken recommends that the level of general reserves is set at the maximum given the current pressures in the system and future uncertainty around remaining funding streams.

The MTFS also sets out the authority's financial framework including, as the first of ten themes of operational principles, calls on reserves and contingencies. A key principle is that reserves should not be considered to be or used as a budget and any in-year calls on the working balance should be replenished. Services cannot approve unbudgeted expenditure on the assumption that it will be met from the working balance. This matter is reserved to full Council, taking advice from the CFO. A central contingency supports prudent financial management. Experience shows that this should be adequate.

In recommending an adequate level of reserves, the CFO considers and monitors the opportunity costs of maintaining particular levels of reserves and balances and compares these to the benefits accrued from having such reserves. The opportunity cost of maintaining a specific level of reserves is the 'lost' opportunity for example, of investing elsewhere to generate additional investment income, or using the funds to invest in service improvements. In assessing this it is important to consider that reserves can only be used once. Therefore, any use of general reserves above the lower minimum threshold is only ever used on one-off items of expenditure. The level of reserves is also determined by use of a comprehensive risk assessment to ensure they represent an appropriately robust "safety net" which adequately protects the council (a complex and multi-disciplinary metropolitan district local authority) against potential unforeseen and therefore unbudgeted costs.

The implementation of the new Government funding mechanism, Business Rates Retention (BRR) to replace Formula Grant, has added additional complexity and volatility into the Council's finances.

Government set Walsall a baseline figure under the business rates retention scheme of £68.421m for 2016/17 which is made up of the business rates local share, top up grant and section 31 grant in relation to business rates relief. They also set a safety net threshold of £63.289m for 2016/17. If the safety net threshold is triggered then any income loss below the threshold is funded by government. Any shortfall between £68.421m and £63.289m has to borne by the council (49%), government (50%) and fire authority (1%).

The review of the level of reserves has therefore for the second year included a risk assessment of business rate collection rates and the impact of potential changes in business rate yield on the council's budgetary position.

In addition, the government's changes to the welfare system; making councils accountable for payments for crisis loans, community grants and council tax reduction scheme have placed additional risk on the councils finances. There is a great delay of uncertainty as to real level of demand for these services, and the direct and indirect impact of welfare reform changes cannot be fully assessed at the point at which this report was written.

The CFO recommended level of reserves is the maximum of £12.4m. This is considered to be sufficient for most possible events, over the short-term i.e. for 2016/17. The council is however, facing real and present financial challenges in 2016/17 and beyond. In the context of this funding environment, whenever possible reserves should be built up further during 2016/17 beyond the maximum level recommended within the MTFS. Consideration will be given to amending the maximum level of permitted reserves. In this context, it is considered that the current level of reserves presents an optimum balance between risk management and opportunity cost. The Chief Financial Officer is satisfied that the benefits accrued in maintaining these at the recommended level outweigh the potential lost opportunity from investing these reserves in other ways. This maintains a suitable and sustainable level of reserves, which include ensuring sound governance and financial stability in the short and longer term.

### Schools Reserves

The CFO as part of this statement is required to confirm that schools balances are adequate. In 2006/07, DfES introduced expectations on local authorities with regard to their schemes of financial management. Part of this legislation required schools to agree a balance control mechanism. This mandatory requirement was subsequently removed. Walsall Council and Walsall Schools Forum have considered the options around balance control and given the authority powers to investigate and claw back balances in excess of 8% of the school budget share. Walsall Council notes that the latest Academies handbook has removed the need for balance control for many academies.

Walsall Schools Forum is mindful of value for money in all that schools do, looks for medium term financial planning and encourages an adequate working balance as part of that process. This is supported by regular reports to Walsall Schools Forum on medium term funding and more recently linking value for money and performance.

The adequacy of balances is reviewed annually by the CFO. For the current financial year no schools have made the council aware of a potential deficit budget, however, as in previous years, were this to happen an action plan would be put in place to support the relevant schools to manage these pressures.

The levels of reserves will be kept under regular review, along with any exceptional balances. The overall level of reserves is considered prudent and the 2012/13 balances

were classed as 'green' by Grant Thornton in their report on financial resilience.

Walsall Council and Walsall Schools Forum has identified that the implementation of a new National Fair Funding Formula from 2017/18 is a financial risk. Consultation commences in 2016.

### **Use of Reserves**

The above assessment demonstrates that general reserves are at an appropriate level; as determined in accordance with the MTFS and the CFO's professional advice. The MTFS allows any reserves above the level required by the MTFS to be used to fund one off items of expenditure. No general reserves below the minimum threshold are being used to support the 2016/17 budget. The risk assessment described elsewhere in this report has informed the established level of general and earmarked reserves. The council follows the CIPFA guidance (LAAP 55) on the use of reserves.

### **Robustness of Budget**

The CFO has been involved throughout the entire budget process, including input to the drafting of the budget, the ongoing financial monitoring and reporting process, evaluation of investments and savings, engagement with members of the executive and overview and scrutiny, advising colleagues, challenge and evaluation activities, and the scrutiny and approval of various reports.

The following sections of this statement signpost to particular activities and documents and have been used by the CFO in coming to his overall conclusion on the adequacy of reserves and robustness of the estimates:

Process - a robust budget process has been used in developing the 2016/17 budget, within the overall context of the MTFS. Plans have been developed, tested and challenged by the Chief Executive and the corporate management team. The process, timetable and the overall budget framework were approved by Cabinet. The CFO's nominee (Head of Finance) has reviewed the saving options and cash limits during this process to test the validity of the financial assumptions.

Current financial modelling undertaken by the CFO, using all available knowledge anticipates an increase in costs of c£48million for the period 2016/17 to 2019/20. This would be challenging enough on its own but the CFO also anticipates a reduction in government funding of £37million over the same period, as the Government tries to reduce both the deficit and the national debt. Using indicative figures for 2016/17, funding has been cut by c£100million since 2010; therefore an anticipated reduction of £37m does not seem unreasonable. Work is underway to develop a service plan that accounts for, not only the totality of this change but also the profiling of it as well.

The current budget plan provides a balanced budget for 2016/17 with further potential savings for consultation totalling just under £19m for 2017/18, requiring a further £5m of options to be identified. In building up the 2016/17-2019/20 budget, clear and robust plans need to be agreed by the executive to go to consultation in late spring of 2016.

Timetable - the process commenced in Spring 2015 and draft budget options were available by September before the provisional Government financial settlement. This enabled Cabinet to meet in October 2015 to consider its priorities and draft budget proposals in the context of estimated resources. Formal overview and scrutiny meetings

have been held in November 2015 to January 2016 to consider Cabinet's draft budget proposals. Formal public consultation has been ongoing since October 2015.

The final budget is due to be set at Council on 25 February 2016.

Member involvement and Scrutiny - both informal and formal member involvement has been extensive, particularly through the Cabinet portfolio holder for finance, individual portfolio holders in conjunction with executive directors, and budget meetings with Cabinet. Cabinet formally considered draft budget proposals on 28 October 2015 and 16 December 2015. Overview and Scrutiny panels have each had opportunity to make recommendations and comments to Cabinet, both on the services within their individual remit and the overall budget. Budget briefings have also been offered to each political group.

Consultation - internally and externally, has been comprehensive as outlined in this and previous reports submitted to Cabinet.

Challenge - there are various points of challenge at various stages of the budget, including throughout corporate management team and Cabinet budget meetings, meetings of various directorate management teams, corporate management team meetings, stakeholder consultation and the scrutiny process.

Budget monitoring - reports continue to be submitted to Cabinet, scrutiny panels, corporate management team, and Audit Committee and management teams across the council throughout the year. The council's employee performance appraisal process also requires review of financial performance for individual managers, complementary to the formal accountability process at executive director level.

Referendum – Following implementation of the Localism Act 2011, councils are required to consult the electorate in the form of a referendum should a council wish to increase the council tax above a level prescribed by the Secretary of State. For 2016/17, this has been determined as 4% or above of the council's relevant amount of council tax (i.e. excluding levies), on the basis that 2% is ring fenced for Adult Social Care.

Ownership and accountability - the budget has progressed through various filters during its construction including endorsement by management teams within services and corporate management team itself. Executive directors are required to test and validate saving proposals and spending plans to ensure that services can be delivered lawfully within the funding envelop allocated. These officers are accountable for ensuring services are delivered within the approved budget.

Current financial position - the budget is a statement of financial intent, reflecting the council's vision, plans and priorities. It also sets the financial spending parameters for each financial year and as such, the CFO assessment of the adequacy of reserves also includes the risk of services overspending and/or underspending their budgets and the impact of this on the financial health of the council and its level of reserves. The current financial position has been reported on throughout the year. The CFO has reported a significant overspend at the end of quarter 3. Mitigating action plans have been put in place to reduce this in the remaining period, however in year it was recognised that the unprecedented level of pressures facing Adult Social Care and Children's Looked After services could not be mitigated within existing budgets and Cabinet agreed to allocate additional resources to these two areas. These costs have also been accommodated within the 2016/17 budget on an ongoing basis.



### Key assumptions

The cost assumptions and prices used in the budget are derived from current intelligence and are considered appropriate. Demand changes have been identified and are reflected in budget increases identified in the appendices where appropriate. Fees and charges have been reviewed and changes are reflected in the overall budget. The capital receipts and borrowing requirement to be used for the draft capital programme are based on professional estimates both of timing and value.

Financial risks - the council continues to use an embedded good practice risk assessment approach both when setting the budget and in validating estimated outturns. This continues for the 2015/16 outturn and 2016/17+ budget. The prevailing level of general and earmarked reserves is considered adequate to cover many but not all of the most serious combination of events.

### The budget in context

The budget includes the allocation of financial resources to different services and projects, any proposed contingency funds, the council tax reduction scheme, setting the council tax and decisions relating to the control of the councils borrowing requirement, the control of its capital expenditure and the setting of virement limits. The budget has been constructed in accordance with the principles and direction of the MTFS.

All cost pressures, efficiencies and savings have been appraised to ensure accuracy of costings and deliverability. Individual officers are identified as accountable for their implementation. The council is working to improve performance outcomes on a range of activities which are monitored throughout the year. Budget provision has been identified for the priorities outlined in the council's vision document.

### **Summary**

Best endeavours have been made to ensure that the budget and reserves are adequate using the information available at this date. The budget has been constructed with a professional policy-led medium term strategic framework, using appropriate assumptions, linking investment and spending to key priorities and having undertaken a comprehensive assessment of risk.

In summary, I can confirm that, the budget as it stands is robust, taking into account the information known at this time and that the level of reserves are sufficient to cover known events and reasonable possible events, however should a series or a combination of unforeseen or unusual events occur, the level of reserves may be insufficient.



James T Walsh, B Hum (Hons), ACMA, CGMA  
Chief Financial Officer

## Part 2 – Treasury Management

### Treasury Management and Investment Strategy for 2016/17 Onwards

#### 1 INTRODUCTION

##### 1.1 Background

The council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the council's capital plans. These capital plans provide a guide to the borrowing need of the council, essentially the longer term cash flow planning to ensure that the council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet council risk or cost objectives.

CIPFA defines treasury management as:

*“The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*

##### 1.2 Treasury Management Strategy for 2016/17

The strategy for 2016/17 covers two main areas:

###### **Capital issues**

- capital plans and the prudential indicators;
- the minimum revenue provision (MRP) policy.

###### **Treasury management issues**

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy;
- policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, CLG MRP Guidance, the CIPFA Treasury Management Code and CLG Investment Guidance.

### **1.3 Training**

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Annual treasury management briefings are held and further training is arranged as when required.

### **1.4 Treasury management consultants**

The council uses Capita Asset Services as its external treasury management advisors. The council recognises that the responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

### **1.5 Treasury management Monitoring**

Local and Prudential indicators are used to monitor treasury management activities which are produced monthly and reported at least quarterly to the treasury management panel. The indicators that are monitored during the year are detailed in **Annex 1**.

## 2 THE CAPITAL PRUDENTIAL INDICATORS 2016/17 – 2018/19

*The council's capital expenditure plans are the key driver of treasury management activity. The output of these plans is reflected in the prudential indicators which are designed to assist members' overview and confirm capital expenditure plans. All indicators below are calculated after the proposed MRP revision outlined in 3.3 below.*

### 2.1 Capital Expenditure - Prudential Indicator 1

This prudential indicator is a summary of the council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts. The financing need below excludes other long term liabilities, such as PFI and leasing arrangements which already include borrowing instruments. The current capital plans which this strategy supports is detailed in Table 1 below.

<b>Table 1 : Current Capital Programme</b>					
	<b>2014/15 Actual</b>	<b>2015/16 Estimated</b>	<b>2016/17 Estimated</b>	<b>2017/18 Estimated</b>	<b>2018/19 Estimated</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Total capital expenditure</b>	<b>45.424</b>	<b>96.984</b>	<b>71.966</b>	<b>23.319</b>	<b>19.878</b>
Resourced by:					
• Capital receipts	2.618	2.427	1.500	2.050	1.500
• Capital grants	22.272	64.123	60.225	15.721	12.920
• Capital Reserves	4.441	-	2.201	0.018	0.018
• Revenue	-	1.452	1.104	0.050	0.040
• Borrowing	16.093	28.982	6.936	5.480	5.400
<b>Total resources available</b>	<b>45.424</b>	<b>96.984</b>	<b>71.966</b>	<b>23.319</b>	<b>19.878</b>

### 2.2 Affordability Prudential Indicators

The prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the council's overall finances. Council is asked to approve the following indicators:

#### **Ratio of financing costs to net revenue stream – Prudential Indicator 2**

This indicator identifies the trend in the cost of capital financing (borrowing and other long term obligation costs net of investment income) against the council's net revenue stream.

	<b>2014/15 Actual</b>	<b>2015/16 Estimate</b>	<b>2016/17 Estimate</b>	<b>2017/18 Estimate</b>	<b>2018/19 Estimate</b>
Ratio	9%	10.0%	10.5%	11%	11%

#### **Incremental impact of capital investment decisions on council tax – Prudential Indicator 3**

This indicator (see Table 3) identifies the revenue costs associated with proposed changes to the capital programme recommended in this budget report compared to the council's

existing approved commitments and current plans. This indicator will change during a year if the council makes changes affecting the borrowing required to support the capital programme.

<b>Table 3 : Prudential Indicator 3</b>					
	<b>2014/15 Actual</b>	<b>2015/16 Estimate</b>	<b>2016/17 Estimate</b>	<b>2017/18 Estimate</b>	<b>2018/19 Estimate</b>
<b>Council tax - band D</b>	£18.19	£30.33	£7.98	£6.31	£6.22

### **2.3 The council's borrowing need (the Capital Financing Requirement) – Prudential Indicator 4**

Prudential indicator 4 is the council's Capital Financing Requirement (CFR). The CFR is the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the council's underlying borrowing need. Any capital expenditure which has not immediately been paid for will increase the CFR. The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life.

The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the council's borrowing requirement, these types of schemes include a borrowing facility and so the council is not required to separately borrow for these schemes. The council currently has £7.530m of such schemes within the CFR. Council is asked to approve the CFR projections in Table 4 which shows that the council's net borrowing need for the period 2016/17 to 2018/19 is estimated to be a reduction of £2.812m. The council's borrowing strategy is discussed in section 4.

If as proposed in Section 3 the implementation date of the MRP policy approved by Council on 26 February 2015 is amended from 1 April 2014 to 1 April 2008, the closing CFR balance for 2014/15 of £314.469m will be recalculated to be £339.108m. This is £24.639m above the closing CFR. Table 4 below shows the projected closing CFR balances for the periods 2015/16 to 2018/19.

<b>Table 4 : Analysis of CFR</b>				
	<b>2015/16 Estimate £m</b>	<b>2016/17 Estimate £m</b>	<b>2017/18 Estimate £m</b>	<b>2018/19 Estimate £m</b>
<b>Proposed closing CFR based on implementation date of 2008/09</b>	340.315	343.728	344.481	337.503
<b>Current closing CFR based on implementation date of 2014/15</b>	332.622	328.808	322.823	316.838

The projected closing CFR balances based on an implementation date of 2008/09 in table 4 above include a reduction in MRP charged over this period of £24.639m.

### **3. MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT**

#### **3.1 Background to Annual MRP policy Review**

A local authority shall determine each financial year an amount which it considers to be prudent to be set aside for the repayment of accumulated borrowing relating to capital expenditure. This is known as the minimum revenue provision (MRP). There are 4 ready-made options for calculating MRP, however authorities do have discretion to determine their own MRP, and other approaches are not meant to be ruled out, as long as it is properly reasoned and justified in doing so.

The MRP review in 2014/15 was presented to Audit Committee on 5 January 2015 and approved by Council on 26 February 2015. It introduced the annuity method for significant schemes and a write down of supported borrowing and pre-2008 debt over a 50 year period (i.e. at a rate of 2% per year over a straight line calculation) from 1<sup>st</sup> April 2014. This was a change to its previous set aside for the pre 2008 debt of 4% per year. It was considered an appropriate and prudent approach for the council, agreed with auditors and fully consistent with the statutory duty to make prudent revenue provision for the redemption of debt.

The proposed policy statement is detailed in **Annex 2** and there is no change from 2014/15, except that it is now recommended that the implementation date is amended to 1 April 2008.

#### **3.2 MRP Policy Objectives**

- The council shall determine for each financial year an amount of revenue provision for the future repayment of debt that it considers to be prudent.
- To set aside funds at a rate such that future generations who benefit from the assets are contributing to the associated debt and also avoiding the situation of future generations paying for the debt on assets that are no longer useable.

#### **3.3 MRP Policy Review 2015/16**

As stated in 3.1 full Council is required to approve an MRP Statement each year. A variety of options are provided to councils, so long as there is a prudent provision. It is recommended that the current implementation date of 1 April 2014 within the existing policy is amended to 1 April 2008.

The impact of the change in the implementation date gives a lower cumulative MRP charge up to 2037/38 and then an additional MRP charge up to 2064/65. The total cumulative change over the entire period is £24.6m. This change therefore effectively enables there to be a re-profiling and smoothing of MRP charges. Note that any cumulative increase across the period will be lower in real terms because money loses value over time. This policy change will support the strategy of maintaining the level of current capital financing costs as a proportion of council tax revenue. Given the spending pressures facing the council this re-profiling is considered appropriate and prudent.

The MRP policy is regularly monitored, and because the MRP policy has to be approved by Council each year there is an opportunity to revisit the policy and the prudent provision as required.

The Council's S151 officer considers this to be prudent because:

- The cumulative MRP at the end of the period will be the same as under the current methodology.
- Council Tax payers from 2008-2014 have been bearing the burden of this over prudent provision, and although this cannot be directly or retrospectively undone the adjustment means that those that have borne the cost are more likely to be those who benefit from the adjustment.

## 4 BORROWING

The resourcing of capital expenditure plans set out in **Section 2** provides details of the service activity of the council. The treasury management function ensures that the council's cash is organised in accordance with the relevant professional codes so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

### 4.1 Current portfolio position

The council is expected to end 2015/16 with a borrowing portfolio of £224m against an asset base of approximately £534m, and short term investments of between £110m and £140m. These will be proactively managed to minimise borrowing costs and maximise investment returns within a robust risk management environment. In 2016/17 estimated annual interest payments are £9.350m (£10.54m in 2015/16) and net investment interest income is £0.797m (£0.790m in 2015/16). The net budget for capital financing in 2016/17 is £17.9m (£19.1m in 2015/16). The treasury management budget required for the running of the treasury management function for 2016/17 is £0.180m (£0.185m in 2015/16). By having a proactive approach to managing cash flows and investments it is estimated that investment income of £0.667m above the bank base rate will be generated.

The council's treasury portfolio position at 31<sup>st</sup> December 2015 is shown in Table 5; forward projections are summarised in Table 6. It shows the actual external borrowing (the treasury management operations), against the capital borrowing need, operational debt, and highlights any over or under borrowing. It shows that the council's underborrowing position is expected to continue for the medium term.

Table 5 : Borrowing and Investments			
	Borrowing £ m	Investments £ m	Net Borrowing £ m
31 March 2015	243.959	Cr 144.940	99.019
31 December 2015	226.585	Cr 147.784	78.801
Change in year	Cr 17.374	Cr 2.844	Cr 20.218

<b>Table 6 : Borrowing Forward Projections</b>			
	<b>2016/17</b> <b>£ m</b>	<b>2017/18</b> <b>£ m</b>	<b>2018/19</b> <b>£ m</b>
PWLB	106.557	96.557	86.557
Market Loans	102.000	102.000	102.000
Bonds and Temporary Loans	3.002	3.002	3.002
Net Other Local Authority Debt	14.251	12.373	11.291
<b>Total Borrowing</b>	<b>225.810</b>	<b>213.932</b>	<b>202.850</b>
Operational Debt – Prudential Indicator 6	328.150	329.688	323.323
<b>(Under) / Over Borrowing</b>	<b>(102.340)</b>	<b>(115.756)</b>	<b>(120.473)</b>

Within the prudential indicators there are a number of key indicators to ensure that the council operates its activities within defined limits. **Prudential Indicator 7** relates to the councils need to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2016/17 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The Chief Finance Officer reports that the council complied with **Prudential Indicator 7** in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report. In accordance with **Prudential Indicator 8** the council has adopted and complies with the Cipfa Code of Practice for Treasury Management.

## **4.2 Treasury Indicators: Limits to Borrowing Activity**

### **The Authorised Limit for External Debt - Prudential Indicator 5**

This prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by Full Council. It reflects the level of external debt which, whilst not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

2. The Council is asked to approve the following authorised limit:

<b>Table 7 : Authorised Limit £m – Prudential Indicator 5</b>				
	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Total	<b>357.585</b>	<b>360.965</b>	<b>362.657</b>	<b>355.655</b>



## The Operational Boundary - Prudential Indicator 6

This is the limit beyond which external debt is not normally expected to exceed. It has been calculated by deducting the other long term liabilities, Birmingham Airport investment and the Local Authority Mortgage Scheme (totalling £15.578m in 2016/17) from the capital financing requirement (CFR).

<b>Table 8 : Operational Boundary £m – Prudential Indicator 6</b>				
	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Total	<b>316.787</b>	<b>328.150</b>	<b>329.688</b>	<b>323.323</b>

### 4.3 Prospects for interest rates

The council has appointed Capita Asset Services as its treasury advisor and part of their service is to assist the council to formulate a view on interest rates. The following table gives Capita Assets' view on Interest rate prospects. If this is significantly changed before the report goes to Council for approval then the treasury management and investment strategy will be updated.

<b>Table 9: Prospects for Interest Rates</b>				
Annual Average %	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
		5 Year	25 Year	50 Year
Mar-16	0.5	2.0	3.4	3.2
Jun-16	0.5	2.1	3.4	3.2
Sep-16	0.5	2.2	3.5	3.3
Dec-16	0.75	2.3	3.6	3.4
Mar-17	0.75	2.4	3.7	3.5
Jun-17	1.0	2.5	3.7	3.6
Sep-17	1.0	2.6	3.8	3.7
Dec-17	1.25	2.7	3.9	3.8
Mar-18	1.25	2.8	4.0	3.9
Jun-18	1.50	2.9	4.0	3.9
Sep-18	1.50	3.0	4.1	4.0
Dec-18	1.75	3.1	4.1	4.0
Mar-19	1.75	3.2	4.1	4.0

The current economic outlook and structure of market interest rates and government debt yields have several key treasury management implications - see below. **Annex 3** provides a detailed Economic commentary.

**UK.** UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and the 2015 growth rate is likely to be a leading rate in the G7 again, probably being second to the US. The November Bank of England Inflation Report included a forecast for growth to remain around 2.5 – 2.7% over the next three years, driven mainly by strong consumer demand as the squeeze on the disposable incomes of consumers has been

reversed by a recovery in wage inflation at the same time that CPI inflation has fallen to, or near to, zero since February 2015 this year. Investment expenditure is also expected to support growth. However, since the August Inflation report was issued, worldwide economic statistics have distinctly weakened and the November Inflation Report flagged up particular concerns for the potential impact on the UK. The Inflation Report was notably subdued in respect of the forecasts for inflation; this was expected to barely get back up to the 2% target within the 2-3 year time horizon. However, once the falls in oil, gas and food prices over recent months fall out of the 12 month calculation of CPI, there will be a sharp tick up from the current zero rate to around 1 percent in the second half of 2016. There is considerable uncertainty around how quickly inflation will rise in the next few years and this makes it difficult to forecast when the MPC will decide to make a start on increasing Bank Rate.

**USA.** The American economy made a strong comeback after a weak first quarter's growth at +0.6% (annualised), to grow by no less than 3.9% in quarter 2 of 2015, but then weakened again to 1.5% in quarter 3.

**EZ.** In the Eurozone, the ECB fired its big bazooka in January 2015 in unleashing a massive €1.1 trillion programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it is intended to run initially to September 2016. This appears to have had a positive effect in helping a recovery in consumer and business confidence and a start to a significant improvement in economic growth. GDP growth rose to 0.5% in quarter 1 2015 (1.0% y/y) but came in at +0.4% (+1.5% y/y) in quarter 2 and looks as if it may maintain this pace in quarter 3. Greece. During July, Greece finally capitulated to EU demands to implement a major programme of austerity and is now cooperating fully with EU demands. An €86bn third bailout package has since been agreed though it did nothing to address the unsupportable size of total debt compared to GDP. However, huge damage has been done to the Greek banking system and economy by the resistance of the Syriza Government, elected in January, to EU demands. However, there are major doubts as to whether the size of cuts and degree of reforms required can be fully implemented and so Greek exit from the euro may only have been delayed by this latest bailout.

The conclusions from Capital Assets are:-

- Investment returns are likely to remain relatively low during 2016/17 and beyond;
- Borrowing interest rates have been highly volatile during 2015 as alternating bouts of good and bad news have promoted optimism, and then pessimism, in financial markets. Gilt yields have continued to remain at historically phenomenally low levels during 2015. The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times, when authorities will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt;
- There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

## 4.4 Borrowing Strategy

### Our borrowing objectives are:

- To minimise the revenue costs of debt whilst maintaining a balanced loan portfolio
- To manage the council's debt maturity profile, ensuring no single future year has a disproportionate level of repayments
- To maintain a view on current and possible future interest rate movements and borrow accordingly
- To monitor and review the balance between fixed and variable rate loans against the background of interest rate levels and prudential indicators.

### Specific Borrowing Objectives

- **L1.** Full compliance with the Prudential Code - **No Change**
- **L2.** Average maturity date between 15 and 25 years - **No Change**
- **L3 a.** Financing costs as % of council tax requirement **No Change**
- **L3 b.** Financing costs as % of tax revenues (council tax requirement and NNDR contribution) - **No Change**
- **L4.** Actual debt as a proportion of operational debt range is maintained in the range 65%- 85% - **Changed from 75%-90% in view of planned PWLB repayments.**
- **L5.** Average interest rate for internally managed debt will rise due to the scheduled repayments of PWLB loans 4.61% - **Changed from 4.60% in view of planned PWLB repayments.**
- **L6.** Average interest rate for total debt (including other local authority debt) will be equal to or less than 4.72%.- **Changed from 4.73% in view of planned PWLB repayments.**
- **L7.** The gearing effect on capital financing estimates of 1% increase in interest rates increase must not be greater than 5% - **No change.**

The council is currently maintaining an under borrowed position. This means that the capital borrowing need (CFR) has not been fully funded with loan debt as cash supporting the council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is relatively high.

Against this background and the risks within the economic forecast, caution will be adopted with the 2016/17 treasury operations. The Treasury Manager will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances. For example if it was felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in the anticipated rate to US tapering of asset purchases, or in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.

Any changes will be reported to the Treasury Management Panel at the next available opportunity.

## 4.5 Treasury Management Limits on Activity

There are three debt related treasury activity limits. The purpose of these is to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. These limits have been reviewed. The indicators the Council is asked to approved are in Table 10 below:

<b>Table 10: Borrowing Limits</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
<b>Prudential Code Indicator 9</b> Upper limits on fixed interest rate exposures.	95%	95%	95%
Lower limits on fixed interest rate exposures	40%	40%	40%
<b>Prudential Code Indicator 10</b> Upper limits on variable interest rate exposures	45%	45%	45%
Lower limits on variable interest rate exposures	0%	0%	0%
<b>Prudential Code Indicator 11/12</b> Lower limits for the maturity structure of borrowings:			
Under 12 Months	0%	0%	0%
12 months and within 24 months	0%	0%	0%
24 months and within 5 years	0%	0%	0%
5 years and within 10 years	5%	5%	5%
10 years and above	30%	30%	30%
Upper limits for the maturity structure of borrowings:			
Under 12 Months	25%	25%	25%
12 months and within 24 months	25%	25%	25%
24 months and within 5 years	40%	40%	40%
5 years and within 10 years	50%	50%	50%
10 years and above	85%	85%	85%

The council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved CFR estimates and will be considered carefully to ensure that value for money can be demonstrated and that the council can ensure the security of such funds.

## 4.6 Debt rescheduling

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred). The reasons for any rescheduling include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;

- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt. All potential rescheduling would require the approval of the Treasury Management Panel.

## **5. ANNUAL INVESTMENT STRATEGY**

### **5.1 Introduction: Changes to Credit Rating Methodology**

The main rating agencies (Fitch, Moody's and Standard & Poor's) have, through much of the financial crisis, provided some institutions with a ratings "uplift" due to implied levels of sovereign support. Commencing in 2015, in response to the evolving regulatory regime, all three agencies have begun removing these "uplifts" with the timing of the process determined by regulatory progress at the national level. This has been part of a wider reassessment of methodologies by each of the rating agencies. In addition to the removal of implied support, new methodologies are now taking into account additional factors, such as regulatory capital levels. In some cases, these factors have "netted" each other off, to leave underlying ratings either unchanged or little changed. A consequence of these new methodologies is that they have also lowered the importance of the (Fitch) Support and Viability ratings and have seen the (Moody's) Financial Strength rating withdrawn by the agency.

### **5.2 Investment Policy**

The council's Investment Policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The council's investment priorities will be security first, liquidity second, then return.

In accordance with the above guidance from the CLG and CIPFA and in order to minimise the risk to investments, the council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties. Counterparty

limits are set through the council's treasury management practices – schedules. This year the TM policies have been reviewed to ensure that the new Banking Regulation changes are appropriately reflected to make certain that the security of the council's deposits remain the highest priority whilst the council seeks a fair return for its investment. See TMP 1 section on Credit and Counterparty Risk Management paragraph h.

### 5.3 Creditworthiness Policy

#### Approved Organisations for Investments

Only organisations that are eligible to receive investments from local authorities may be used. The council's credit worthiness policy was reviewed and approved by Audit Committee on 9<sup>th</sup> November 2015 and by Council on 16<sup>th</sup> November 2015.

### 5.4 The Monitoring of Investment Counterparties

The credit rating and financial resilience of counter parties are monitored regularly. The council receives credit rating information from Capita Asset Services as and when ratings change and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list by the Treasury Manager, and if required new counterparties which meet the criteria will be added to the list. This list is approved by the Chief Finance Officer.

### 5.5 Investment strategy

The general policy objective for this council is for the prudent investment of its treasury balances. The council's investment priorities are:

- The security of capital
- Liquidity of its investments
- 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.

**In-house funds.** Investments will be made with reference to the core balance and cash flow requirements and the outlook for interest rates.

**Investment returns expectations.** Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 4 of 2016. Bank Rate forecasts for financial year ends (March) are:

- 2016/17 0.75%, 2017/18 1.25%, 2018/19 1.75%

Capita Assets suggest the following investment earnings rates for returns on investments placed for periods up to 100 days during each financial year for the next eight years are as follows:

2016/17 0.60%

2017/18 1.25%

2018/19 1.75%

2019/20 2.25%

2020/21 2.50%  
 2021/22 2.75%  
 2022/23 2.75%  
 Later years 3.00%.

## 5.6 Specific Investment Objectives

**The interest rate predictions are similar to those 12 months ago thus there are no changes to these investment objectives.**

- **L8.** Average interest rate received on STI Versus 7 day Libid rate – 0.5%
- **L9.** Average interest rate received on:
- At call investments – **0.40%**
- Short term investments – **0.90%**
- Long term investments – **1.80%**
- **L10** Average rate on at call and short term investments will be equal to or greater than **0.80%**
- **L11** Average rate on all investments will be equal to or greater than **1.10%**
- **L12** % daily bank balances within a target range of **98%**.

**Investment treasury indicator and limit** - total principal funds invested for greater than 364 days. These limits are set with regard to the council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year end.

The Council is asked to approve Prudential Indicator 13. treasury indicator and limit:

<b>Prudential Indicator 13 Maximum principal sums invested &gt; 364 days</b>			
<b>£m</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
Principal sums invested > 364 days	£25m	£25m	£25m

## Annex 1 - IN YEAR TREASURY MANAGEMENT INDICATORS TO BE MONITORED

No.	Indicator	2016/17	2017/18	2018/19
PCI 1	a. Capital expenditure - Council Resources	£11.741m	£7.598m	£6.958m
PCI 1	b. Capital expenditure - External Resources	£60.225m	£15.721m	£12.920m
PCI 2	Estimates of the ratio of financing costs to the net revenue stream	10.5%	11.0%	11.0%
L.3	a. Financing costs as % of council tax requirement	25.0%	25.0%	25.0%
L.3	b. Financing costs as % of tax revenues	13.5%	13.5%	13.5%
L.4	Actual debt versus operational debt within the following range	65%-85%	65%-85%	65%-85%
L.5	Average interest rate of debt excluding OLA less than	4.61%	4.64%	4.70%
L.6	Average interest rate of debt including OLA	4.72%	4.75%	4.79%
L.8	Average interest rate received on STI Versus 7 day LIBID rate	0.50%	0.50%	0.50%
L.9	Average interest rate received on:			
	(a) At call investments	0.40%	0.70%	0.70%
	(b) Short Term investments	0.90%	1.20%	1.20%
	(c) Long Term investments	1.80%	2.00%	2.00%
L.10	Average interest rate on all ST investments. (ST and At call)	0.80%	1.10%	1.10%
L.11	Average rate on all investments	1.10%	1.30%	1.30%
L.12	% daily bank balances within target range	98%	98%	98%



*The Proposed change in implementation date is in bold below.*

## **MINIMUM REVENUE PROVISION 2015/16 ONWARDS**

Under the Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2010, local authorities have a duty to produce an annual statement on its policy for making a minimum revenue provision (MRP).

For the financial years **2008/09** onwards the authority will be adopting the following policies in determining the MRP:

1. For any capital expenditure carried out prior to 31 March 2008 or financed by supported borrowing capital expenditure, the authority will be charging MRP at 2% of the balance at 31 March 2013 (which has been adjusted as per the 2003 regulations, i.e. net of Adjustment A), fixed at the same cash value so that the whole debt is repaid after 50 years.
2. For any capital expenditure carried out after 1 April 2008 being financed by unsupported borrowing the authority will be adopting the asset life method (option 3). This is where MRP will be based on the capital expenditure divided by a determined asset life or profile of benefits to give annual instalments. The annual instalment may be calculated by the equal instalment method, annuity method or other methods as justified by the circumstances of the case at the discretion of the Chief Finance Officer.
3. The authority will treat the asset life as commencing in the year in which the asset first becomes operationally available. Noting that in accordance with the regulations the authority may postpone the beginning of the associated MRP until the financial year following the one in which the asset becomes operational, there will be an annual adjustment for Assets Under Construction.
4. In all years the CFR for the purposes of the MRP calculation will be adjusted for other local authority transferred debt.
5. The Section 151 officer shall on an annual basis review the level of MRP to be charged, as calculated as per paragraphs 1,2 and 3 above to determine if this is at a level which is considered prudent. Dependant on this review the Section 151 officer shall be able to adjust the MRP charge. The total cumulative adjustment will never exceed the calculated CFR variance of £24.6m. The amount of MRP charged shall not be less than zero in any financial year.

## **Finance Leases**

In accordance with legislation the council will make a MRP for finance leases equivalent to the principal payment contained with the lease terms.

## ECONOMIC BACKGROUND

**This Economic Commentary is based upon information provided by our Treasury Management Advisors – Capita Asset Services. If you wish to read the full commentary, please contact Michael Tomlinson ext 2360.**

**UK.** UK GDP growth rates in of 2.2% in 2013 and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and the 2015 growth rate is likely to be a leading rate in the G7 again. However, quarter 1 of 2015 was weak at +0.4%, although there was a short lived rebound in quarter 2 to +0.7% before it subsided again to +0.5% (+2.3% y/y) in quarter 3. The Bank of England's November Inflation Report included a forecast for growth to remain around 2.5% – 2.7% over the next three years. For this recovery, however, to become more balanced and sustainable in the longer term, it still needs to move away from dependence on consumer expenditure and the housing market to manufacturing and investment expenditure. The strong growth since 2012 has resulted in unemployment falling quickly to a current level of 5.3%.

The MPC has been particularly concerned that the squeeze on the disposable incomes of consumers should be reversed by wage inflation rising back above the level of CPI inflation in order to underpin a sustainable recovery. It has, therefore, been encouraging in 2015 to see wage inflation rising significantly above CPI inflation which has been around zero since February. The Inflation Report was notably subdued in respect of the forecasts for CPI inflation; this was expected to barely get back up to the 2% target within the 2-3 year time horizon. However, once the falls in oil, gas and food prices over recent months fall out of the 12 month calculation of CPI, there will be a sharp tick up from the current zero rate to around 1% in the second half of 2016. Indeed, the increase in the forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon it was the biggest since February 2013. Nevertheless, despite average weekly earnings ticking up to 3.0% y/y in the three months ending in September, this is unlikely to provide ammunition for the MPC to take action to raise Bank Rate in the near future as labour productivity growth has meant that net labour unit costs appear to be rising by about only 1% y/y. Having said that, at the start of October, data came out that indicated annual labour cost growth had jumped sharply in quarter 2 from +0.3% to +2.2%: time will tell if this is just a blip or the start of a trend.

There is, therefore, considerable uncertainty around how quickly inflation will rise in the next few years and this makes it difficult to forecast when the MPC will decide to make a start on increasing Bank Rate. There are also concerns around the fact that the central banks of the UK and US currently have few monetary policy options left to them given that central rates are near to zero and huge QE is already in place. There are, therefore, arguments that they need to raise rates sooner, rather than later, so as to have some options available for use if there was another major financial crisis in the near future. But it is unlikely that either would raise rates until they are sure that growth was securely embedded and 'noflation' was not a significant threat.

The forecast for the first increase in Bank Rate has, therefore, been pushed back progressively during 2015 from Q4 2015 to Q4 2016 and increases after that will be at a much slower pace, and to much lower levels than prevailed before 2008, as increases in Bank Rate will have a much bigger effect on heavily indebted consumers than they did before 2008.

The Government's revised Budget in July eased the pace of cut backs from achieving a budget surplus in 2018/19 to achieving that in 2019/20.

**USA.** GDP growth in 2014 of 2.4% was followed by Q1 2015 growth, which was depressed by exceptionally bad winter weather, at only +0.6% (annualised). However, growth rebounded very strongly in Q2 to 3.9% (annualised) before dipping again in Q3 to 1.5%.

Until the turmoil in financial markets in August, caused by fears about the slowdown in Chinese growth, it had been strongly expected that the Fed. may start to increase rates in September. However, the Fed pulled back from that first increase due to global risks which might depress US growth and put downward pressure on inflation, as well as a 20% appreciation of the dollar which has caused the Fed. to lower its growth forecasts. Although the non-farm payrolls figures for growth in employment in August and September were disappointingly weak, the October figure was stunningly strong and, together with a likely perception by the Fed. that concerns on the international scene have subsided since August, has now firmly opened up the possibility of a first rate rise in December.

**Eurozone.** The ECB fired its big bazooka in January 2015 in unleashing a massive €1.1 trillion programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it is intended to run initially to September 2016. This appears to have had a positive effect in helping a recovery in consumer and business confidence and a start to a significant improvement in economic growth. GDP growth rose to 0.5% in Q1 2015 (1.0% y/y) but came in at +0.4% (+1.5% y/y) in Q2 and looks as if it may maintain this pace in Q3. However, the recent downbeat Chinese and Japanese news has raised questions as to whether the ECB will need to boost its QE programme if it is to succeed in significantly improving growth in the EZ and getting inflation up from the current level of around zero to its target of 2%.

**Greece.** During July, Greece finally capitulated to EU demands to implement a major programme of austerity. An €86bn third bailout package has since been agreed although it did nothing to address the unsupportable size of total debt compared to GDP. However, huge damage has been done to the Greek banking system and economy by the initial resistance of the Syriza Government, elected in January, to EU demands. The surprise general election in September gave the Syriza government a mandate to stay in power to implement austerity measures. However, there are major doubts as to whether the size of cuts and degree of reforms required can be fully implemented and so a Greek exit from the euro may only have been delayed by this latest bailout.

**China and Japan.** Japan is causing considerable concern as the increase in sales tax in April 2014 suppressed consumer expenditure and growth. In Q2 2015 quarterly growth shrank by -0.3% after a short burst of strong growth of 1.0% during Q1. Japan has been hit hard by the downturn in China during 2015. This does not bode well for Japan as the Abe government has already fired its first two arrows to try to stimulate recovery and a rise in inflation from near zero, but has dithered about firing the third, deregulation of protected and inefficient areas of the economy.

As for China, the Government has been very active during 2015 in implementing several stimulus measures to try to ensure the economy hits the growth target of 7% for the current year and to bring some stability after the major fall in the onshore Chinese stock market during the summer. Many commentators are concerned that recent growth figures

could have been massaged to hide a downturn to a lower growth figure. There are also major concerns as to the creditworthiness of much of the bank lending to corporates and local government during the post 2008 credit expansion period. Overall, China is still expected to achieve a growth figure that the EU would be envious of. Nevertheless, concerns about whether the Chinese economy could be heading for a hard landing, and the volatility of the Chinese stock market, which was the precursor to falls in world financial markets in August and September, remain a concern.

**Emerging countries.** There are also considerable concerns about the vulnerability of some emerging countries and their corporates which are getting caught in a perfect storm. Having borrowed massively in dollar denominated debt since the financial crisis (as investors searched for yield by channelling investment cash away from western economies with dismal growth, depressed bond yields and near zero interest rates into emerging countries) there is now a strong flow back to those western economies with strong growth and an imminent rise in interest rates and bond yields.

This change in investors' strategy, and the massive reverse cash flow, has depressed emerging country currencies and, together with a rise in expectations of a start to central interest rate increases in the US, has helped to cause the dollar to appreciate significantly. In turn, this has made it much more costly for emerging countries to service their dollar denominated debt at a time when their earnings from commodities are depressed. There are also likely to be major issues when previously borrowed debt comes to maturity and requires refinancing at much more expensive rates.

Corporates (worldwide) heavily involved in mineral extraction and / or the commodities market may also be at risk and this could also cause volatility in equities and safe haven flows to bonds. Financial markets may also be buffeted by the sovereign wealth funds of those countries that are highly exposed to falls in commodity prices and which, therefore, may have to liquidate investments in order to cover national budget deficits.

## **CAPITA ASSET SERVICES FORWARD VIEW**

Capita Asset Services Forward View firstly notes the recent comments of the Bank of England Governor which rule out an increase in Bank Rate in the very near future. He has previously laid out three criteria that need to be met before he would look to make a start on increasing Bank Rate. These criteria are not being met at the current time:

- 1. Quarter-on-quarter GDP growth is above 0.6% i.e. using up spare capacity. This condition was met in Q2 2015, but Q3 came up short and Q4 looks likely to also fall short.*
- 2. Core inflation (stripping out most of the effect of decreases in oil prices), registers a concerted increase towards the MPC's 2% target. This measure was on a steadily decreasing trend since mid-2014 until November 2015 @ 1.2%. December 2015 saw a slight increase to 1.4%.*
- 3. Unit wage costs are on a significant increasing trend. This would imply that spare capacity for increases in employment and productivity gains are being exhausted, and that further economic growth will fuel inflationary pressures.*

So economic forecasting remains difficult with so many external influences weighing on the UK. Bank Rate forecasts, (and also MPC decisions), which will be liable to further amendment depending on how economic data and developments in financial markets

transpire over the next year. Forecasts for average earnings beyond the three year time horizon are dependent on economic and political developments. Major volatility in bond yields is likely to endure as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, or the safe haven of bonds. The overall longer run trend is for gilt yields and PWLB rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. An eventual world economic recovery will also see investors switching from the safe haven of bonds to equities.

Capita Asset Service have pointed out consistently that the Fed. rate is likely to go up both sooner and more strongly than Bank Rate in the UK. These increases will have corresponding effects in pushing up US Treasury and UK gilt yields. While there is normally a high degree of correlation between the two yields, they expect to see a decoupling of yields between the two. The overall balance of risks to economic recovery in the UK is currently to the downside. Only time will tell just how long this current period of reasonably strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas. Capita Asset Service have continued to, remind clients of the view that expressed in previous interest rate revision newsflashes of just how unpredictable PWLB rates and bond yields are at present. Exceptional levels of volatility are being experienced which correlate highly to emerging market, geo-political and sovereign debt crisis developments. Their revised forecasts are based on the Certainty Rate (minus 20 bps).

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Emerging country economies, currencies and corporates destabilised by falling commodity prices and / or Fed. rate increases, causing a flight to safe havens (bonds).
- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.
- UK economic growth and increases in inflation are weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU and US.
- A resurgence of the Eurozone sovereign debt crisis.
- Recapitalisation of European banks requiring more government financial support.
- Monetary policy action failing to stimulate sustainable growth and combat the threat of deflation in western economies, especially the Eurozone and Japan.

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- Uncertainty around the risk of a UK exit from the EU.
- The pace and timing of increases in the Fed. funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

## GLOSSARY OF TERMS

TERM	DEFINITION
Authorised Limit	Level of debt set by the council that must not be exceeded.
Bond	A government or public company's document undertaking to repay borrowed money usually with a fixed rate of interest.
Borrowing	Obtaining money for temporary use that has to be repaid.
Capital expenditure	Expenditure on major items e.g. land and buildings, which adds to and not merely maintains the value of existing fixed assets.
Capital grants	Specific targeted grants to cover capital expenditure.
Capital receipts	The proceeds from the disposal of land or other assets. Capital receipts can be used to fund new capital expenditure but cannot be used to finance revenue expenditure
Cash flow Management	The management of the authority's receipts and payments to ensure the authority can meet its financial obligations.
Counter party limits	Maximum amount that the council may lend to other institutions will vary according to size and credit rating of other intuitions.
Dividends	Sum to be payable as interest on loan.
ECB	European Central Bank
EU	European Union
EZ	Euro Zone
GDP	Gross Domestic Product – the total market value of all final goods and services produced in a country in a given year, equal to total consumer investment and government spending, plus the value of exports minus the value of imports.
IMP	International Monetary Fund – an organisation of 187 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world.
Investments	The employment of money with the aim of receiving a return.
Libid rate	London Interbank Bid Rate (the rate that banks are willing to borrow from each other)
LOBO	Lenders Option Borrowers Option. A type of loan arrangement.
Liquidity	How easily an asset including investments may be converted to cash.
Long Term Borrowing	Borrowing of money for a term greater than one year.
Long Term Liabilities	Amounts owed by the council greater than 12 months old.
Market convention	The rules and regulations by which all brokers and dealers should abide by. It includes standards of practice and calculation conventions for interest. They are defined in the London Code of Conduct ("The London Code") published by the Bank of England.

TERM	DEFINITION
MPC	Monetary Policy Committee – group that sets the bank base rate for the Bank of England
Temporary borrowing	Borrowing of money for a term of up to 364 days.
Treasury management	The management of the local authority's cash flows, its borrowings and its investments, the management of associated risks, and the pursuit of the optimum performance or return consistent with those risks.
Treasury Policy Statement	A statement of key policies that an organisation follows in pursuit of effective treasury management, including borrowing limits and strategy.
Variable debt	This is money that has been borrowed at a variable interest rate, and as such is subject to interest rate changes.
Unsupported borrowing	Borrowing taken through the remit of the Prudential Code for which the council will not receive any government funding and will fund from own resources.
<b>Definition of Fitch Primary Credit Rating Scales</b>	
Long Term Ratings A: High credit quality.	A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.
Short-Term Ratings F1: Highest short term credit quality.	Indicates the strongest intrinsic capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.
<b>Definition of Moodys General Credit Rating</b>	
LongTerm Corporate Obligation Ratings A	Obligations rated A are considered upper-medium grade and are subject to low credit risk.