

**CORPORATE SERVICES  
SCRUTINY AND PERFORMANCE PANEL**

**Agenda  
Item No. 8**

**DATE: 26 NOVEMBER 2007**

**DRAFT BUDGET 2008/9 PROPOSALS**

**Ward(s)** All

**Portfolios:** Cllr Arif  
Cllr Griffiths

**Summary of report**

This report presents service specific saving and investment options in respect of the revenue budget 2008/9 to enable consideration and recommendations to cabinet.

**Recommendations**

1. To consider the options and make recommendations to cabinet as appropriate.

**Background papers**

Various financial working papers.

**Reason for scrutiny**

To enable scrutiny of the budget and options for investment and savings in the context of setting the 2008/9 corporate revenue budget.



**Signed** .....

**Chief Finance Officer – James T Walsh**

**Date:** 16 November 2007

**Resource and legal considerations**

Services were requested to identify efficiency savings and investment for consideration in the setting of the 2008/9 corporate revenue budget. These savings and investment proposals have been prepared by officers and presented to cabinet who are considering them as part of preparing their draft budget proposals.

**Citizen impact**

The budget is aligned with service activity within service plans across the council. Investment has been targeted at service improvement, stability and user demand.

**Environmental impact**

None directly associated with this report.

**Performance management**

Investment and savings options are considered in the context of service targets and outcomes.

**Equality Implications**

Services consider equality issues in setting budgets and delivering services. Irrespective of budgetary pressures the council must fulfil equal opportunities obligations.

**Consultation**

Scrutiny panels will receive service specific budget options for consultation and consideration in November 2007. A further meeting is scheduled for January 2008 to consider the overall draft corporate revenue budget 2008/9.

**Contact Officer:**

Vicky Buckley - Head of Corporate Finance  
Tel. 01922 652349  
buckleyv@walsall.gov.uk

## 1. INVESTMENT AND SAVINGS OPTIONS 2008/9

### 1.1 Investment

As part of the budget process investments are identified by services in line with service plans across the council and are targeted at service improvement, stability and user demand as summarised in **Table 1**. **Appendix 1** shows details of service specific investments currently put forward for consideration.

**Table 1 – Summary of Investment Options – 2008/09**

Type of Investment	£m
Finance	0.159
Legal Services	0.322
Transformation	0.134
HRD	0.152
Business Support	0.034
Property Services	0.050
<b>TOTAL</b>	<b>0.852</b>

### 1.2 Savings

In order to ensure a balanced budget services have submitted savings options for consideration. These options were worked up by managers and have also been considered by SLT. A risk assessment for each option has been undertaken to assess the affects on service delivery. **Appendix 2** details service specific savings which have been categorised into the following themes:

- Fees and charges – there are no fees and charges relating to the services covered by this scrutiny panel.
- Efficiencies – efficiencies totalling £488k are included.

### 1.3 Full year effect of savings and investment options approved for 2007/8

**Appendix 3** is for information only. It details the full year effect of the service specific savings and investments approved as part of the budget setting process for 2007/8. These items have all been reviewed by services to ensure that the investment required is still needed at the same level and that the increased savings will still be realised. There are no investments relating to the services covered by this scrutiny panel.

## 2 NET CHANGE TO BUDGET 2007/8 TO 2008/9

**Table 2** shows the movement between 2007/8 budget and forecast for 2008/9. This includes the impact of inflation and pay award, full year effect of investment approved for 2007/8 and proposed new efficiencies and investment, should they all be approved would result in a net change to the 2008/9 budget of c £1.226m (4.93%).

**Table 2 - Calculation of Net Increase in Corporate Services**

<b>Description</b>	<b>£m</b>
Base Budget 2007/8	24.866
Budget refresh: allocation of pay inflation	0.813
Budget refresh: allocation of contractual and other inflation	0.363
Removal of one-off items	(0.316)
Other increases – RTB and HB subsidy	0.131
Full year effect of investments	0.031
Sub-total prior to new investment and new efficiencies	25.888
New Investment	0.852
New Efficiencies	(0.488)
Base Budget 2008/9	26.092
Net Increase in Budget after refresh	0.204
Net % Increase in Budget	1.41%
Net overall increase in Budget incl. inflation and FYE	5.57%

### **3. REVIEW OF BASE BUDGET**

During the budget process senior manager along with SLT have reviewed their base budgets and have identified those services that are discretionary (we don't have to do). Details of the discretionary areas are shown in **Appendix 4**. Scrutiny therefore have the option to advise if there are any discretionary activities they would wish to recommend the council does no longer undertake.

## **4 SUMMARY**

- 4.1 This report details all service specific investment and savings options for consideration in the 2008/9 budget setting process to enable scrutiny to make recommendations to cabinet.

INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	SERVICE AREA	ANNUAL NET COST			IMPACT ON STAFF No's	DETAILS OF HOW THE INVESTMENT MEETS THE COUNCIL'S VISION PRIORITIES	CONSEQUENCES / RISK OF NOT GOING AHEAD	MEASURABLE EFFECT ON KEY INDICATORS (REGIONAL & NATIONAL COMPARATORS, BVPIS)
			2008/09	2009/10	2010/11				
	CORPORATE SERVICES								
1	<b>Reduction in Admin grant</b> Due to the governments commitment to bring increased efficiency into the public sector. It has been decided that the government will deduct 3% from the Housing Benefit Admin grant (after taking into effect of inflationary increases).	<b>Revenues and Benefits</b>	159,305	319,964	482,091	0	The additional support from the Council would allow the current structure to remain. Should this not be possible, the level of service would not be sustained. This would therefore jeopardise the "Listen to what people want", as the people of Walsall need a good benefit service.	Redundancies, error rate increasing in benefit claim processing. The Revs and Bens service have also been awarded the most improved team of the year, it would be detrimental to lose staff at this successful time	Number of key indicators that would be effected are:- BV78a/BV78b/BV79a/BV79b(i)
1	<b>2x Conveyancer</b> The service currently employees 2.6 FTE lawyers handling all of the councils property work. Over the last 3 years the volume of capital disposals has increased 3-4 fold, and with many other new projects coming on line,( e.g. registering charges for residential care, sundry debts requiring property expertise) the current level of staffing is insufficient to meet the new work.	<b>Legal Services</b>	128,000	128,000	128,000	2	Transform Walsall into an excellent local authority by having a first class legal department	The council has been using external legal suppliers which has had to be funded by service clients, since legal services has no budget for external legal advice and nor have our clients. This cannot carry on as the cost of external legal advice is more expensive than hiring our own staff and there is insufficient resources both within legal and services to pay for this. By employing staff directly the overall cost to the council would be substantially reduced and help to meet the councils objectives. A further risk is that we may be unable to generate the level of capital receipts required if we do not have the staff in place to do the necessary work.	
2	<b>Salary Review</b> The service has experienced significant staff turnover and difficulty in attracting new staff to key posts. An external report was commissioned which has benchmarked our salaries with neighbouring councils and shown that over the last 3 years the salaries offered by Walsall council are uncompetitive.	<b>Legal Services</b>	154,000	154,000	154,000	0	Transform Walsall into an excellent local authority to work for by offering salaries that are competitive to other local authorities.	Unless rectified the level of staff turnover will increase and the recruitment of new staff will become increasing difficult. The service is currently relying on 7 locum lawyers ( from an establishment of 30) due to difficulties in attracting staff. Locums are paid at a much higher rate than full time staff and this is creating unmanageable budget pressures within legal services.	Will bring salaries in line with comparable authorities.

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	CORPORATE SERVICES								
3	<b>Transformation Team</b> Currently there is insufficient capacity and resource within service areas to lead significant change. Provision of an additional 2 transformation consultants within the team will ensure that programmes are supported more effectively and will offset the need for external consultancy support to be brought in to assist project mgmt. requirements. Investment will also enable efficiencies and cashable savings to be driven out as quickly as possible; the transformation team has a proven track record in this area with £1.4m & £2.2m cashable savings being targeted and delivered over the past 2 years.Failure to deliver such savings would mean that there would be a requirement for further savings to found 2 years. Failure to deliver such savings would mean that there would be a requirement for further savings to found from front line services. There will be an increasing future demand to drive out further savings through procurement processes including the commissioning of Social Care services, for improved business processes and transactional arrangements leading to reduced operating costs and for improved service provision to the customer. The need for sufficient capacity to progress important initiatives such as EDMS will also produce savings by reducing expensive storage space leading to better use of office accommodation and reductions in leased property. A Transformation Assistant post will be required to evidence progress, report on success within the programme and track cashable and non-cashable benefits.	<b>Strategic Transformation</b>	<b>109,500</b>	109,500	109,500	3	The leadership and delivery of projects within the strategic transformation programme is essential in order to meet and deliver the council's strategic objectives .Examples include the modernisation of Adult Social Care Services which meets the objective of Making Walsall a Healthy and Caring place.The ongoing development of the council's web site, provision of services through e channels, development of the corporate contact centre and introduction of mobile access services are all aligned to Making it Easier for People to Access Local Services. Consultation facilities which are being designed through the website are to meet to the pledge of 'Listening to wat People Want '. There are a host of projects which are designed to meet the pledge of ' Transforming Walsall into An Excellent Authority'. Services to the citizens will also be improved leading to an enhanced customer experience and improved service satisfaction levels in general.	There will be insufficient capacity to support transformational activity which will lead to slower delivery of the change agenda and the associated realisation of efficiencies and benefits.	Transformational activities and associated projects are linked to a range of service based BVPI's and the performance agenda in general

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CORPORATE SERVICES									
4	<b>Web development officer</b> Additional support is needed within the web team to cope with the growing demand for services to be available on the Councils intranet and internet site, including increased functionality of web services, portals for community groups, information about crime in the community and local transport issues, development of leisure and culture web services, more strategic consultation for services and partners, reduction in paper information around the council, promotion of existing and developing services to realise the benefits of existing services.	<b>Strategic Transformation</b>	<b>24,500</b>	24,500	24,500	1	To provide increased functionality to existing web services to support vision pledges of: Ensure all people are safe and secure, encourage people to feel proud of Walsall, make it easier to access local services and listen to what people want through - increased functionality of web services, portals for community groups, information about crime in the community and local transport issues, development of leisure and culture web services, more strategic consultation for services and partners, reduction in paper information around the council, promotion of existing and developing services to realise the benefits of existing services. Walsall also has one of the smallest web teams in the midlands to support its community.	Web services will be limited and the community focus will be reduced due to capacity within the team. The team have a vision to provide more services through local access points and promoting partner services within the community and are currently unable to realise the benefits of their vision.	website supports several KLOE (Key lines of Enquiry)
5	<b>Publications</b> The law changes on a daily basis and the legal officers rely on a number reference publications to research the law before they provide advice. The current library facilities have been reduced over the years to the absolute minimum. The service already uses many free on line facilities however the cost of updating the current reference works has increased.	<b>Legal Services</b>	<b>40,000</b>	40,000	40,000	0	Transform Walsall into an excellent local authority by having a first class legal department.	Without updating the reference works there is an inevitable risk that incorrect/ out of date legal advice could be provided.	Effect on capital receipt targets

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	CORPORATE SERVICES								
6	Trade Union Posts - no budget for this currently. These posts will contribute to the success of the Single Status project. It is anticipated that the project will end during 2008/09 financial year	HRD	60,000	0	0	3	The Single Status project will deliver Equal Pay to the Borough's workforce and the involvement of trades unions in the process is vital to ensuring that the Vision Priority to Transform Walsall into an excellent local authority is delivered by making sure that services are built upon firm foundations to provide excellent customer service. Equal Pay will also help to deliver the Council's Values around equality by ensuring that our staff will see and feel real fairness and equality for all.	Failure to deliver Equal Pay into the future will leave the Council vulnerable to Equal Pay claims, will demotivate staff and adversely affect the local industrial relations climate, making progress with many of the Council's other plans more difficult to achieve. As this is the local implementation of a national agreement it is also likely that the Council will come under pressure at national level with the potential for loss of reputation.	N/A
7	Job Evaluation Manager - This post is aiding the Single Status project. The project should end during 2008/09 financial year	HRD	40,000	0	0	1	Sound project management of the Single Status Project is essential to delivery of the aims, set out above.	As above	N/A
8	Redundant Buildings - Ongoing costs of ensuring vacant buildings are not vandalised etc.	Property Services	50,000	50,000	50,000	0	Encourage everyone to feel proud of Walsall.	Many properties will become eyesores and attract undesirables resulting in Walsall portraying a poor image.	Boarded up void premises in poor condition could impact on perception measures i.e.. Satisfaction with neighbourhood as a place to live for example.
9	Corporate equality learning and development plan	HRD but impacts on all service areas	52,000	52,000	52,000	1	The investment will be outcome focussed development to measure the council's commitment and action to equality priorities. This can be measured through data e.g. monitoring, recruitment, retention.	Equality issues not managed and at a cost to the organisation - in monetary terms and reputation. Do not meet national standards.	BVPI 16a CPA BVPI 17x C % of LA employees that are women Numbers of staff in earnings bands who are a) women, b)



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	CORPORATE SERVICES								
10	<b>Review of SC&amp;I Financial Administration IT Systems</b> In line with the decision in the mid term not to implement Paris Financials a need has arisen to review and update the existing systems. This is with particular reference to electronic interfaces to Oracle Financials and priority enhancements.	<b>Business Support</b>	<b>33,914</b>	33,914	33,914	0	This investment would work towards making Walsall a healthy and caring place and making Walsall an excellent local authority by ensuring that adult and children's social care financial transactions are carried out efficiently with the support of appropriate IT systems.	Failure to meet efficiency targets and to continue to provide the required customer service levels.	Contribute to improvement in BVPI8 and Beacon Index for Debt Recovery.
	<b>TOTAL CORPORATE SERVICES</b>		<b>851,219</b>	<b>911,878</b>	<b>1,074,005</b>	<b>9</b>			

# EFFICIENCIES

## Appendix 2

No.	DESCRIPTION	SERVICE AREA	ANNUAL NET COST		
			2008/09	2009/10	2010/11
	CORPORATE SERVICES				
1	Reduction in car mileage claims	Revenue and benefits	(10,000)	(10,000)	(10,000)
2	Changes to out of hours activity payments	Revenue and benefits	(13,000)	(13,000)	(13,000)
3	Employee services transactional recruitment	HRD	(40,000)	(40,000)	(40,000)
4	Transactional team - administration of all aspects of emplyment life cycle	HRD	(40,000)	(40,000)	(40,000)
5	Payroll / pensions control	HRD	(20,000)	(20,000)	(20,000)
6	Admin support to Children & Young People s services	Business Support	(80,000)	(80,000)	(80,000)
7	Admin support to Social Care & Inclusion	Business Support	(80,000)	(80,000)	(80,000)
8	Accounts payable and accounts receivable savings	Business Support	(40,000)	(40,000)	(40,000)
9	Efficiencies arising from the Oracle project	Business Support	0	(160,000)	(560,000)
10	Admin support to HRD OD activity	Business Support	(40,000)	(40,000)	(40,000)
11	Reduction in audit fees following implementation of CAA	Performance Management	0	(20,000)	(20,000)
12	Reduction in training budgets	Internal Audit	(10,000)	(10,000)	(10,000)
13	Reduction in debt charge costs for Magistrates courts	Finance	(30,000)	(30,000)	(30,000)
14	Re-structure of service support finance teams and finance support to services	Finance	(60,000)	(120,000)	(180,000)
15	Streamlining of monitoring process due to Oracle improvements	Finance	0	(60,000)	(120,000)
16	Reduction in training budgets	Strategic Transformation	(25,000)	(25,000)	(25,000)
	TOTAL CORPORATE SERVICES		(488,000)	(788,000)	(1,308,000)

## FOR INFORMATION - FYE 2007/8 NEW INVESTMENT / COUNCIL WIDE - CORPORATE PRESSURES

Appendix 3

INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	SERVICE AREA	FINANCIAL YEAR		
			2008/09	2009/10	2010/11
	CORPORATE				
A	Direct payments financial auditors (1.5 FTE) & infrastructure support 2007/8 onwards (business support) Increase in payments has meant an increased need for control of spend. Figures for 05/6 suggest payments will total c £1m. To reduce risk we propose to bring in reviewing officer posts whose job purpose will be to follow a specific audit procedure as identified in the care plan which includes any unspent payment being clawed back.	Strategic Transformation	31,000	73,000	126,000
	TOTAL CORPORATE		31,000	73,000	126,000

## BASE BUDGET DISCRETIONARY SERVICES

Directorate / Service	Forecast Net Budget 2008/09  £m
<b>Corporate Services</b>	
<b>Finance</b>	
Professional training pre-qualification	0.008
Risk & insurance (WHG)	-0.012
Attendance at non-finance specific SMBs and directorate meetings	0.015
<b>Performance Management</b>	
Neighbourhood - facilitating local performance management framework	0.023
Project office	0.017
Risk Management	0.010
Customer focus and intelligence team, management of citizens panel	0.030
Performance and scrutiny team training & awareness	0.034
Children's, ICT an procurement performance and outcomes team	0.009
Social Care and Inclusion performance and outcomes team	0.018
<b>Strategic Transformation</b>	0.000
Transformation Programme Management	0.175
Programme Consultancy	0.115
Transformation Support	0.153
Web development team/e-services	0.255
Business analysts	0.096
Programme office support	0.059
<b>Business Support</b>	
Admin support to recruitment and redeployment activity	0.140
PA / secretarial support to senior managers	1.014
Admin support to HRD/OD activity	0.205
Admin support to leisure, culture & lifelong learning	0.252
Admin support to Print & Design	0.097
Performance management & policy	0.145
<b>Human Resource and Development</b>	
ATAR administration for civic/town hall	0.034
Graduate trainee scheme	0.034
Non mandatory training	0.000
Workforce planning	0.176
Recruitment and Advertising - processing of advert requests ensuring compliance with legislation.	0.122
Strategic Recruitment	0.243
Strategy Services - workforce development - provision of core skills training to Council employees and partner organisations.	0.204
Strategy Services - workforce development - management/leadership development	0.226
Recruitment - management support	0.055

Directorate / Service	Forecast Net Budget 2008/09  £m
<b>Revenue</b>	
Welfare rights administration	0.396
Admin of NNDR discounts, exemptions and reliefs	0.075
<b>Benefits</b>	
Benefits - HB/CTB local scheme - disregard war widows and war pensions	-0.013
<b>Total Corporate Services</b>	<b>4.410</b>