

Cabinet – 9 February 2005

Corporate Revenue Budget 2005/6 – 2009/10

Portfolio: Councillor John O'Hare – Deputy Leader

Service Area: Corporate finance

Wards: All

Forward Plan: Yes

Summary of report

This report presents the revenue budget for 2005/6 to 2009/10 following consideration by all five scrutiny and performance panels and the conclusion of the public consultation process. This report and other finance reports on tonight's agenda are to enable formulation of budget recommendations to Council on 7 March 2005.

Recommendations

To note:

1. The corporate revenue budget set out in this report and its appendices.
2. The currently estimated outturn for 2004/5.

To note and endorse:

3. 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 increases and as such these will be tabled at the Council meeting of 7 March. Current estimates have been used within this report based on informal notification from each precepting authority.
4. The use of £1.5 m of general reserves to fund financial prudence in 2005/6.
5. That the draft general fund revenue budget 2005/6, for the Walsall MBC element only, shows a draft net budget requirement of **£342.470 m**, and a council tax increase of **3.89%** - resulting in a band D council tax of **£1,156.94**.
6. That on the basis set out in (5) above, the provisional (i.e.: subject to formal confirmation) overall council tax increase would be 3.96%, including estimated precepts, resulting in a total band D council tax of £1,281.83.

To note, endorse and recommend to Council:

7. The recommendations of the Chief Finance Officer (CFO) in respect of the robustness of the budget and adequacy of reserves as set out in **section 4** and **Appendix 9** of this report.

8. The revenue budget and council tax increase for 2005/6. (*)

*** *deliberative recommendation (draft resolution to be tabled at the meeting).***

Resource and legal considerations

Councils must set and maintain a budget sufficient to cover all known expenditure including an allowance for unknown contingencies. Chief financial officers (CFOs) are required to report to members on the adequacy of reserves. Balances should not be treated as a budget, nor should unbudgeted expenditure be assumed to be met from the working balance. A comprehensive statement on current and recommended reserves is included in the budget report. It is prudent for councils to maintain an adequate working balance; the council uses a risk assessment to determine its level. The opening balance required @ 01.04.05 is £4.5m. Our medium term financial strategy aims to incrementally increase the opening working balance until it reaches £5m. This is on track.

Using a comprehensive medium term, policy led approach to budget setting reflects best financial practice, and underpins the council's delivery of its strategic aims and objectives. The five-year approach to budget analysis will continue to enable evaluation of the medium-term financial plan. The approved MTFS states that the council will seek to establish and maintain its council tax at a level to ensure an adequate ongoing income from local taxation sufficient to support planned levels of expenditure. In addition, that in setting the council tax each year, the council will ensure that the council tax increase is sufficient to ensure adequate resources are available to provide the current and planned levels of service provision contained within the annual budget in the context of the medium term.

The financial impact of the PTCF strategic partnership is currently being analysed. As negotiations are ongoing, the final detailed analysis of this is not yet available. However, current evaluations show that it is expected to be at least cost neutral in the first year (2005/6) with savings accruing thereafter. The budget assumes no additional council funds will be required to support the partnership.

The final revenue support grant settlement was received on 27 January 2005. The figures show a net difference (gain) of c£33k from the draft figures received in December 2004.

Citizen impact

The budget set out in this report, including estimated precepts, would result in a 3.96% council tax increase, well within the Government's target of "low single figures", and should not be subject to capping. The budget is aligned with service activity in service plans. Investment has been targeted at service improvement, delivery of the council's vision and service-user demand.

Community safety

The budget provides funding for initiatives to support community safety.

Environmental impact

Investment bids for 2005/6 onwards include several bids targeted at supporting environmental improvements, e.g. roll out of gold standard to other district centres.

Performance and risk management issues

The council annually reviews corporate financial planning and budget principles. In November, Cabinet approved an updated medium term financial strategy and framework. As part of the budget setting process, a corporate financial risk assessment is undertaken to determine key risks and their impact on the budget. Services undertake comprehensive risk assessments of their service budgets by identifying risk factors associated with potential changes to service delivery and funding streams. This ensures that adequate corporate budgetary provision is available to cover unforeseen future events. This risk management approach has been in place for several years and is used to inform the level of earmarked reserves and working balance.

Appendix 1 shows the results of this exercise and the theoretical risk of between £1.08 m and £3.97 m of additional costs. However, it is highly unlikely that all these scenarios would arise. Managers are also 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 an investment bid. Any use of the working balance in-year would require replenishment to ensure an opening working balance of £4.5 m for 2005/6, as required by the MTFS.

A detailed statement on the adequacy of general and earmarked reserves and provisions is included in **section 4**.

The authority has a robust financial monitoring and reporting framework. Cabinet and EMT receive regular financial monitoring reports throughout the year, including estimated outturn. Services also receive regular financial monitoring reports. Risk assessment is an integral part of those reports, which will be updated regularly and used to assist in managing service delivery risks throughout 2005/6.

The efficiency review will require the delivery of annual efficiency targets of 2.5%. Detailed guidance is awaited on how this will be measured and assessed. The MTFS and financial planning processes will need to be updated to reflect the requirements of the review.

Equality implications

Services have regard to equalities in setting budgets and delivering services. The 2004/5 budget included investments that promoted equality and inclusion. Further bids have been received for 2005/6 onwards e.g. provision of corporate translation / interpretation services, introduction of a supernumerary disability scheme and support for a shopmobility scheme.

Consultation

The council is statutorily obliged to consult with representatives of non-domestic ratepayers before setting the budget for the following financial year. Public consultation on the budget is an important part of our community engagement activities, effected since November 2004 through a series of facilitated workshops involving representative samples of different parts of the community, and involving members and EMT. **Appendix 2** provides further detail on how the 2005/6 draft budget has responded to the outcomes of that consultation.

Managers of all levels are responsible for delivering targets and service outputs within budget. With their teams, they are involved in constructing the base budget, bidding for investment and in working up savings options. EMT and Cabinet receive regular budget updates. Consultation on the budget has taken place more widely, including with key stakeholders. A draft budget was considered by Cabinet at a budget decision conference on 30 November and by resources scrutiny on 6 and 9 December. Recommendations from that event are contained in a separate report. All scrutiny panels received the draft revenue budget 2005/6+ for comment during January and February 2005 and reports are included elsewhere on tonight's agenda detailing the comments and recommendations of each panel.

Vision 2008

The budget, each investment bid and saving are assessed for their contribution to the delivery of the council's vision. The budget setting process and decision conference approach within the directorates and with members, ensures that all investment decisions are targeted at delivering the council's vision. All base budgets, investment bids and savings were rigorously challenged during this process and budgets re-aligned as a result. **Appendix 3** provides further detail on how each investment relates to and supports the achievement of the vision.

1. General Fund Financial Position 2004/5

- 1.1 **Current monitoring predicts an underspend at 31.03.05 of £0.96 m and balances of c£5.8 m, as shown in table 1. The approved medium term financial strategy (MTFS) is to end each year with the working balance intact and to commence 2005/6 with £4.5m of general reserves. This is currently considered to be achievable. A report elsewhere on tonight's agenda provides further detail.**

Table 1: 2004/5 Estimated General Fund Outturn	
	2004/5 £M
Predicted revenue underspend	- 0.959
Balances available (post audit) @ 31.3.04	- 8.865
Less planned use of reserves to fund one-off items in 2004/5	4.009
Total estimated balances @ 31.03.05	- 5.815

The MTFS requires balances of £4m @ 31.3.05 and £4.5m @ 01.04.05

- 1.2 Balances above that required by the MTFS are used to maintain financial stability, support financial prudence and fund costs of restructuring, performance improvement, one-off investments and to liabilities. The draft budget includes use of c £1.5 m to make provisions and earmarked reserves for pension regulation changes and single status. Provision has also been made for a central contingency. One-off expenditure is notionally funded by one-off income which is automatically tracked in-year and removed during the following year's budget process.

2 Revenue Budget Process

2.1 Budget Guidelines and Underlying Principles

- 2.1.1 The budget process is a continuous annual cycle. Budgets are prepared using approved budget guidelines and updated as required. The draft budget provides for full inflation, pay awards and contractual inflation, as indicated in **table 2**.

Table 2: Cost increase assumptions within Draft Budget 2005/6 to 2009/10					
Year \ Assumption	2005/6 %	2006/7 %	2007/8 %	2008/9 %	2009/10 %
Pay awards	2.95%	2.95%	3%	3%	3%
Contract related cost increases	A s p e r c o n t r a c				
Water increases	7.6%	3.1%	2.1%	1.8%	1.2%
Energy increases	6.5%	6.5%	6.5%	6.5%	6.5%
General inflation	2.1%	2.0%	2.0%	2.0%	2.0%

2.2 Overall Strategy

- 2.2.1 The budget has been constructed in accordance with the council's established MTFS and all relevant corporate financial protocols, resulting in:

- A policy-led, medium term, risk assessed budget using corporate priorities established by cabinet
- Funding financial prudence, the full year impact of investment choices approved in 2004/5 and demand as the highest priorities
- Fully passporting the schools education passporting requirement
- Prudent and appropriate use of the prudential code and unsupported borrowing to fund capital investment, where affordable and sustainable.

- Inflationary and other cost pressures recognised in the budget.
- Ensuring an opening working balance of £4.5 m @ 1.4.05, in line with the MTFS.

2.2.2 A separate report covers the draft capital programme 2005/6 to 2009/10. The financial implications arising from this are contained within the draft revenue budget.

2.3 2005/6 Budget Process

2.3.1 Draft service budgets were completed in early November 2004. All directorates held budget decision conferences to consider their base budgets, investments and savings proposals. EMT have considered the overall draft budget. Cabinet held a budget decision conference on 30 November 2004. The decisions and outcomes from that decision conference are reflected in this report. The draft budget was reported to Cabinet on 19.1.05. The final budget will be reported to Council on 7.3.05.

2.4 Putting the Citizen First Partnership

2.4.1 The partnership is due to commence on 1.04.05. Negotiations are underway with the preferred bidder. A financial model has been produced to ensure that the partnership delivers the required investment. The draft budget assumes no additional net cost to the council in entering into the partnership.

3 **Corporate Draft Revenue Budget 2005/6**

3.1 **Appendix 4** summarises the draft budget for 2005/6 excluding precepts. The exact values of levies are not yet known, so estimates have been made. The 2005/6 net budget requirement is £342.470 m, shown in **table 3**. This assumes approval of total investment of £6.756 m (**Appendices 5a** and **5b** and section 3.5 give more detail) and savings of £6.237 m (**Appendix 6** and section 3.6).

Table 3: Draft Budget Requirement 2005/6	£M
Basic forecast 2004/5	321.313
Budget refresh (pay awards, inflation) / other changes	20.692
financial prudence	1.435
Total Investment Bids – Priority A	6.756
Total Savings	-6.237
Net Revenue Expenditure	343.959
Use of balances to fund one-off investment/financial prudence	-1.489
Total Net Draft Budget Requirement 2005/6	342.470
Council Tax Increase	3.89%

- 3.2 This would result in a band D council tax for the Walsall MBC element only of £1,156.94, an annual increase of £43.28 or 3.89%. Most properties in Walsall (69%) are in bands A or B. This would be an annual increase of £28.85 for band A and £33.66 for band B (Appendix 7). This is equivalent to weekly increases of 55p and 65p respectively. Table 4 shows the calculation.

Table 4: Draft Budget Requirement and Draft Council Tax Levels 2005/6		
Element of Budget	2005/6 Budget & Grants £	Council Tax Band D £
Walsall MBC Net Budget	342,469,867	
- Revenue Support Grant	170,686,424	
- Business Rates	84,113,812	
- Collection Fund Deficit	(260,000)	
WMBC Element – required from C/Tax	87,929,631	1,156.94
Police (estimated)		83.68
Fire & Civil Defence (estimated)		41.21
Total From Council Tax		1,281.83

NB: Based on an approved council tax base of 76,002 Band D equivalents. WMBC shown in this table net of use of reserves

- 3.3 The precepts have not yet been received, so provisional figures are based on informal notification from each precepting authority. Any changes will be tabled at cabinet or Council. The figures including estimated precepts are;
- Band D council tax of £1,281.83
 - Band A council tax of £854.56
 - Band B council tax of £996.97
- 3.4 The total net council tax increase arising is 3.96%. Each £846k increases or decreases council tax by 1%. In making any budget reductions, prudent provisions such as inflation, pay awards, replenishment of balances and funds for known future commitments should not be reduced.

3.5 Investment Bids

3.5.1 Financial Stability

The council must continue to demonstrate financial stability. The CFO advises on this in accordance with best practice, professional opinion and the council's MTFS. The draft budget contains £1.435 m of prudent financial items. A modest provision of £0.25 m has been made to smooth any cost peaks arising from the implementation of single status in the short to medium term. £0.4 m has been set aside for environmental warranties post LSVT and £0.785 m has been set aside to support the introduction of new pensions regulations, effective from 1.4.05.

3.5.2 Funding Improvement

The 2005/6 budget seeks to further build on the improvements delivered in the last two years, with investment bids totalling £2.624 m to support continued improvement. New investment bids totalling £4.132 m are also included, as follows:

- **Appendix 5a** – Full year effect of bids approved in 2004/5 budget of £2.624 m.
- **Appendix 5b** – Priority A new bids totalling £4.132 m.

3.5.3 The budget assumes that all education schools pressures are accommodated from meeting the schools passporting requirement. This means FSS resources are passed directly on to the education service, which will be expected to accommodate from it, all inflationary, trend and spending pressures.

3.5.4 The draft capital programme 2005/6 – 2009/10 provides for significant capital investment, including the use of the Prudential Code and unsupported borrowing to fund £9 m of investment. The revenue implications of these decisions are included within the corporate revenue report.

3.6 Efficiency Savings and Service Realignment

3.6.1 Senior managers have identified economies and efficiencies where considered achievable without changes in approved policy and/or an adverse impact on service delivery. Reviews of fees and charges have also taken place. Savings of £6.237 m (Appendix 6) are reflected in this report. These effectively release funding for other council priorities and investment.

3.7 Levies and Precepts

3.7.1 Levies

Table 5 shows the final levies to be made on Walsall MBC by the West Midlands PTA and the environment agency.

Table 5: Levies 2005/6				
Levy	2004/5 Amount £	2005/6 Amount £	Increase £	Increase %
WM Passenger Transport	11,948,323	12,247,031	298,708	2.5
Environment Agency	74,965	78,936	3,971	5.3
Total	12,023,288	12,325,967	302,679	2.5

3.7.2 Precepts

Walsall MBC's precepting authorities are the West Midlands police and fire & civil defence authorities. At the time of despatch of this report, formal notification of the precepts had not been received. The figures in **table 6** are based on informal notification, so it will be necessary to table amended figures at the Council meeting.

Table 6: Precepts 2005/6 – ESTIMATED				
Precepting authority	2005/6 Amount £	Band D 2004/5 £	Band D 2005/6 £	Band D Increase %
WM Police	6,362,847	80.08	83.68	4.5
WM fire and civil defence	3,131,796	39.32	41.21	4.8
Total	9,494,643	119.40	124.89	4.6

3.8 Formula Spending Share

In 2003/4, central government introduced a new revenue grant allocation regime. Each authority's revenue support grant is derived from its formula spending share (FSS). FSS is determined from a series of complex formulae for various service blocks and is a mechanism for distributing grant. A comparison of the council's draft budget proposals with the FSS is useful in that it shows where the proposed budget is different from the funding received. It is anticipated that most authorities will spend above FSS, but not to the same extent. **Appendix 8** provides a comparison of Walsall's FSS against the draft budget and shows that the council proposes to spend £11.9 m (3.6%) more than FSS.

3.9 Capping

The government retains reserve powers to cap council tax increases where they are considered to be too high – guidance provided indicates that councils approving a 5% or higher increase may be capped. It is considered highly unlikely that the proposed Walsall MBC council tax increase – being low single figures - will result in capping. If capping does occur a revised (reduced) budget would have to be set.

3.10 **Comparative Draft Council Tax Levels**

Comparative draft council tax levels for 2005/6 for other west midlands or national councils are not yet publicly available. It is anticipated that Walsall's increase will be within the mid-range.

4. **CFO Report on Robustness of the Budget & Adequacy of Reserves**

4.1 In accordance with the Local Government Act 2003 (S25-S27) 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 budget and the adequacy of reserves and balances in respect of the 2005/6 budget. This section of the report has been written by the council's CFO (Executive director (finance, law, & performance)) and deals with the requirements of the Act and professional guidance. Consideration of all these issues has been comprehensive and complex. **Appendix 9** 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. **Appendix 10** analyses current earmarked reserves.

5. Medium Term Financial Outlook

- 5.1 The council has a longstanding commitment to medium term financial planning. The annual process requires services to calculate a provisional budget for the next 5 years. This is summarised at **Appendices 11 to 14** and includes the full year effects of changes identified in 2005/6 and inflationary and other known pressures. **Table 7** shows the current council tax requirement and an amount of efficiency savings required to achieve a scenario of council tax increases. The approach adopted in setting the budget, of matching spend and investment to priorities is now embedded.

Table 7: – Estimated Council Tax Scenarios 2006/7 to 2009/10				
Description	Preliminary 2006/7 £M	Preliminary 2007/8 £M	Preliminary 2008/9 £M	Preliminary 2009/10 £M
Base Budget	363.414	380.800	400.340	419.812
External Support	268.305	281.183	296.086	311.779
Net requirement				
CT %age Increase Requirement	8.03%	4.60%	4.52%	3.49%
Efficiency Savings to achieve 3% increase	4.429	1.524	1.516	.0.512
Efficiency Savings to achieve 4% increase	3.548	0.571	0.519	n/a
Efficiency Savings to achieve 5% increase	2.668	n/a	n/a	n/a

- 5.2 It is clear that some work will be needed to achieve a less than 5% council tax increase in 2006/7, based on latest RSG projections. It is essential that in setting a budget for a particular year, the council has regard to the medium term outlook. The council annually updates its medium term financial goals and targets. The information in this section provides a baseline assessment of likely resources and investment pressures. This will be developed further in the new financial year, with reports being brought forward to both senior officers and members in the summer.

5.3 Efficiency Review (Gershon)

- 5.3.1 Prominent in the July 2004 comprehensive spending review is the assumption that efficiency gains of 2.5% a year can be achieved. Delivering efficiency is a key challenge local government will face. The purpose of the Gershon Review was to identify how the public sector could deliver increased efficiency, set targets and a time frame to work within. Gains can be reinvested in local services. Budget reductions not linked to service efficiencies or which result in a reduction in levels of service will not count towards the annual efficiency targets. Gains are identified as “cashable”, where there is a direct financial saving or benefit, and “non cashable”, where gains do not lead to lower costs but improved performance for resources used. Expectations are that around half of the gains will be cashable. Efficiency gains in local services are not a euphemism for cuts. All “cashable” gains can be redirected to frontline services.

- 5.3.2 Although the Gershon Review sets specific targets; precisely how these will be assessed is still unclear as more detailed guidance is awaited. The efficiency targets and their assessment will be incorporated into the medium term service and financial planning process, once the guidance has been received.
- 5.3.3 The draft budget for 2006/7 onwards assumes achievement of these 2.5% efficiency gains, of which 50% is cashable. 2.5% equates to approximately £9 m in 2006/7. 50% of this is assumed to be cashable in 2006/7 onwards. It is important to stress that for services which are currently in-scope of the Putting the Citizen First strategic partnership, the delivery of the 2.5% efficiency target will be through that partnership.
- 5.3.4 The draft budget 2006/7 onwards assumes no further new bids, as these are assumed at this stage to be funded via the efficiency review.

6 Summary

- 6.1 This report presents a balanced draft budget resulting in a council tax increase of 3.89% excluding precepts, equivalent to a band D council tax of £1,156.94. The key issues are:

- Funding for financial prudence of c£1.5 m.
- Funding for continued improvement of £2.624 m to support priority areas.
- Additional investment of £4.132 m focussed at front line services, corporate core infrastructure, and key developments.
- Total additional investment of £6.756 m.
- Full passporting of education schools increases
- An opening working balance of £4.5 m (an increase of £0.5 million over last year).
- A central contingency of £0.3 million (minimum 0.01% of the net budget).
- Savings and service re-alignments of £6.237 m.
- Full provision for pay awards, routine and contractual inflation and currently estimated demands, legislative changes and trends.

- 7.3 Council managers must continue to exercise extremely sound budget management. As last year, managers will be expected to formally sign up to their annual budgets and any investment and reductions allocated to them. They will be responsible for ensuring they deliver their target service outputs within budget. This will be monitored by line managers through the performance management framework. Effective budget management is one of the councils' key performance indicators.

Background papers:

Various financial working papers.

Approved MTFS – Cabinet 10 November 2004.

Revenue Support Grant Provisional Settlement – Cabinet 22 December 2004

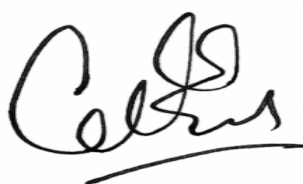
Draft Corporate Revenue Report 2005/6 – 2009/10 – Cabinet 19 January 2005

Contact officer:

Vicky Crowshaw - Head of Corporate and Strategic Finance

☎ 01922.652349

crowshawv@walsall.gov.uk



Signed:

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Executive Director: Carole Evans

Date: 2.02.05



Signed:

Portfolio Holder: Cllr J G O'Hare

Date: 2.02.05

FINANCIAL AND OPERATIONAL RISKS

POTENTIAL RISK	HIGH RISK/LIKELY COST IF OCCURS £'000	MEDIUM RISK/LIKELY COST IF OCCURS £'000	LOW RISK / LIKELY RISK IF OCCURS £'000	TOTAL FINANCIAL EXPOSURE TO RISK £'000
CORPORATE CENTRAL ITEMS				
Capital Financing - non achievement of corporate saving	0	0	210	210
Total Central Items	0	0	210	210
FINANCE, LAW & PERFORMANCE				
Insurance income re SLA with WHG (half year loss)	0	25	0	25
Total FLP	0	25	0	25
EDUCATION, LIFELONG LEARNING & COMMUNITY				
Walsall Illuminations - Annual event (scheduled to make a surplus for Council) Bad Weather	0	80	0	80
Parks - shortfall of grant for Walk on officer	0	0	20	20
Skate Park - removal from current site	0	75	150	225
School Library Support Service - shortfall in income target	65	0	98	163
Loss of income - Gala Baths	46	0	0	46
Libraries and Park - Vandalism	0	100	0	100
Total LL&C	111	255	268	634
REGENERATION & BUILT ENVIRONMENT				
Awards of costs/legal fees dependant on planning decisions		10		10
Litigation in respect of statutory nuisances or construction sites		100		100
Litigation in respect of permitted/authorised prescribed industrial processes		300		300
Major road traffic accident requiring emergency resurfacing		50		50
Bescot Crescent - possibility of major flooding incident *		10		10
Risk of compensation pyts, fines or personal or corporate culpability re public liability/public safety		100		100
Major bridge incident *		250		250
BV105 Emergency Repairs - Increased insurance claims	50			50
Area Based Work including minor patching - Increased Insurance Claims	50			50
Adverse weather conditions during winter period requiring additional gritting	20			20
Maintenance of damaged trees - possible insurance claims	100			100
The cost for cleaning up and removing damaged trees following adverse	100			100
Total RHBE	320	820	0	1,140
SOCIAL CARE AND SUPPORTED HOUSING				
Transitional Costs - retaining existing learning disability provision until all service users have moved into new provision		100		100
Running learning disability centres whilst new packages of day care services are provided		200	100	300
Whilst reprovding elderly residential services, possibility of having to pay increased fees and purchase additional extra care housing placements		150	100	250
S117claims - provision does not cover claims			100	100
Increase in client demand for looked after children	200			200
Preserved rights - risk that homes will raise fees above level of assessed need		100		100
Partner contributions - children's services - increased costs to sc&sh	100			100
Failure to recruit and retain LA foster carers	100			100
Possible non-achievement of agency savings target			490	490
Learning disabilities - supported living - risks that client will not be eligible for funding supporting people grant	100			100
Further pressure to rise independent sector home / residential and nursing fees	100			100
Supporting people - admin grant overspend	50	0	0	50
Total SC&SH	650	550	790	1,990
TOTAL RISK	1,081	1,625	1,268	3,974

* These risks could effectively be managed through the annual capital programme in the first instance

SUMMARY OF DRAFT CORPORATE REVENUE FORECAST 2005/6 INCLUDING INVESTMENT

Summary	Investment or Saving/income generation	£'000	Further information	Revenue / Capital
RESIDENT SUMMARY				
Respondents living in Darlaston & Willenhall felt excluded from improvements within the borough	Bid No 27 Expansion of the gold standard across other district centres	75	all years	Revenue
	Bid 91 Black country study - will provide the basis for physical regen and will impact on people and communities across the borough	188	£223k in 06/7 then falls out	Revenue
	Bid 11 Events and consultancy support - to support key community events and initiatives	20	all years	Revenue
	Bid 13 Citizens panel - to establish permanent panel to provide representative views of residents of the borough and of local neighbourhood areas.	30	all years	Revenue
	New deal for communities	2,300		Capital
	Darlaston SDA	9,600		Capital
	Environmental & heritage revitalisation for districts	1,394		Capital
Also links to making schools great	New schools (willenhall)	3,470		Capital
Safety & Security	New saving CCTV / community safety	-100	due to availability of NRF funding	Revenue
	CCTV for local history centre	13		Capital
Also links to making schools great	Modernisation of schools	6,000		Capital
	Quality streets initiatives	1,200		Capital
	School building repairs & infrastructure	2,400	£3m next year	USB
	Fitting gates to alleys to prevent crime	250	all years	Capital
	Public lighting PFI	200	for 3 years	Capital
	Asbestos removal	100	for 4 years	Capital
	Bid 21 Increase in number of properties requiring domestic refuse collection	10	£15k 06/7 going up by £10k all other 3 yrs	Revenue
Ensuring a clean and green borough	Bid 22 expansion of garden waste collection scheme	90		Revenue
	Bid No 27 Expansion of the gold standard across other district centres	75	all years additional to that already approved in 04/5	Revenue
	Expansion of garden waste collection scheme	40	full year effects of 04/5 approved	Revenue
	Bid 47 Parks and green space improvement strategy	65	all years	Revenue
	Parks and green space strategy	100	2 yrs only	Capital
	Bid B full year impact of 04/5 bid for disposal of garden waste	160	rising to £240K 06/7 and all other years	Revenue
	Bid A Increase in landfill tax	380	full year effect of 04/5. £770k in 06/7, £1165 in 07/8, £1570 08/9 and £1970 in 09/10	Revenue
	Bid D anticipated growth in tipping	40	full year effect of 04/5. £80k in 06/7, £125 in 07/8, £170 08/9 and £215 in 09/10	Revenue
	Full passporting of FSS	2,869	above what was in estimates	Revenue
	Bid 94 Schools catering - investment into the service	371	£321 06/7 and £300k rest of years	Revenue
Also links to safety	Saving no 18 Catering	-10	additional income from increased take up in school meals	Revenue
	School building repairs & infrastructure	2,400	£3m next year	USB
	Secondary schools re-development of dining facilities	310	£160k all other years	Capital
	Modernisation of schools	6,000	All years	Capital
	Funding of new pupil places	970	All years	Capital
	School access initiatives	531	All years	Capital
	Prior basic need commitments	918	One years only	Capital
Also links to willenhall being excluded from improvements	New schools	3,470	£266k 06/7 then falling out	Capital
Easier for people to get around	Bid 15 Shopmobility - enhanced council support for a fully functioning shopmobility scheme in the town centre	50	all years	Revenue
	Building access for disabled	200	for 4 years	Capital
Provision of leisure facilities	Bid I Walsall outdoor adventure centre	3	going up by £2k pa. Full year effect of 04/5	Revenue
	Walsall Arboretum restoration programme	40		Capital
	Bid 45 Youth services	575	all years	Revenue
	Youth service building refurbishment	100		Capital
	Bid H Blakenhall library one stop	60	all years	Revenue
YOUNG PEOPLES SUMMARY				
Provision of leisure facilities.	Bid I Walsall outdoor adventure centre	3	going up by £2k pa. Full year effect of 04/5	Revenue
	Walsall Arboretum restoration programme	40		Capital
	Bid 45 Youth services	575	all years	Revenue
	Youth service building refurbishment	100		Capital
	Bid H Blakenhall library one stop	60	all years	Revenue
Safety	New saving CCTV / community safety	-100	due to availability of NRF funding	Revenue
	CCTV for local history centre	13	one off	Capital
	Modernisation of schools	6,000	all years	Capital
Also links to improvements to the school environment	School building repairs & infrastructure	2,400	£3m next year	USB

	Fitting gates to alleys to prevent crime	250	all years	Capital
	Quality streets initiatives	1,200		Capital
	Public lighting PFI	200	for 3 years	Capital
	Asbestos removal	100	for 4 years	Capital
Improvements to the school environment.	Full passporting of FSS	2,869	above what was in estimates	Revenue
	Bid 94 Schools catering - investment into the service	371	£321k 06/7 and £300k rest of years	Revenue
	Saving no 18 Catering	-10	additional income from increased take up in school meals	Revenue
Also links to safety	School building repairs & infrastructure	2,000	£3m next year	Capital
	Secondary schools re-development of dining facilities	310	£160k all other years	Capital
Also links to safety	Modernisation of schools	6,000	All years	Capital
	Funding of new pupil places	970	All years	Capital
	School access initiatives	531	All years	Capital
	Prior basic need commitments	918	One years only	Capital
Also links to willenhall being excluded from improvements	New schools	3,470	£266k 06/7 then falling out	Capital
BME SUMMARY				
Better maintenance of roads and getting traffic moving	Highways maintenance	3,160	£160k future years	Capital
	Red routes programme	1,000		Capital
	Local Transport Package	6,900	£14.7m 06/7 £20m future yrs	Capital
Education & Health	Full passporting of FSS	2,869	above what was in estimates	Revenue
	Funding of new pupil places	970	All years	Capital
	School access initiatives	532	All years	Capital
	Prior basic need commitments	918	One years only	Capital
	School building repairs & infrastructure	2,000	£3m next year	Capital
	New schools	3,470	£266k 06/7 then falling out	Capital
	Modernisation of schools	6,000		Capital
	Bid 57 home treatment services for mental health	40	£50k future years	Revenue
Improving the local environment	Bid No 27 Expansion of the gold standard across other district centres	75	all years additional to that already approved in 04/5	Revenue
	Bid No C Expansion of the gold standard across other district centres	40	full year effects of 04/5 approved	Revenue
	Bid 47 Parks and green space improvement strategy	65	all years	Revenue
	Parks and green space strategy	100	2 yrs only	Capital
Under represented and different methods of communication	Bid 13 Citizens panel - to establish permanent panel to provide representative views of residents of the borough and of local neighbourhood areas.	30	all years	Revenue
Improving community safety and crime	CCTV for local history centre	13	one off	Capital
	Fitting gates to alleys to prevent crime	250	all years	Capital
	Public lighting PFI	200	for 3 years	Capital
	Quality streets initiatives	1,200	all years	Capital
STAFF SUMMARY				
Transport network	Highways maintenance	3,160	£160k future years	Capital
	Red routes programme	1,000		Capital
	Bus showcase programme	1,000		Capital
	Local Transport Package	6,900		Capital
Money on district centres	Bid No 27 Expansion of the gold standard across other district centres	75	all years	Revenue
	Environmental & heritage revitalisation for districts	1,394		Capital
	New deal for communities	2,300		Capital
	Darlaston SDA	9,600		Capital
	Bid 91 Black country study - will provide the basis for physical regen and will impact on people and communities across the borough	188	£223k in 06/7 then falls out	Revenue
Consultation & Communication	Bid 13 Citizens panel - to establish permanent panel to provide representative views of residents of the borough and of local neighbourhood areas.	30	all years	Revenue
Crime & Safety	CCTV for local history centre	13	one off	Capital
	Fitting gates to alleys to prevent crime	250	all years	Capital
	Public lighting PFI	200	for 3 years	Capital
	Quality streets initiatives	1,200		Capital
Provision of leisure facilities.	Bid I Walsall outdoor adventure centre	3	going up by £2k pa. Full year effect of 04/5	Revenue
	Walsall Arboretum restoration programme	40		Capital
	Bid 45 Youth services	575	all years	Revenue
	Youth service building refurbishment	100		Capital
	Bid H Blakenhall library one stop	60	all years	Revenue
Improving the environment	Bid No 27 Expansion of the gold standard across other district centres	75	all years additional to that already approved in 04/5	Revenue
	Bid 47 Parks and green space improvement strategy	65	all years	Revenue
	Parks and green space strategy	100	2 yrs only	Capital

	Environmental & heritage revitalisation for districts	1,394		Capital
	New deal for communities	2,300		Capital
	Darlaston SDA	9,600		Capital
	Quality streets initiatives	1,200	all years	Capital
More funding for homelessness	Bid 71 Homelessness prevention strategy	60	£75k future years	Revenue
Meet government guidelines to provide for travellers	Essential works to travellers sites	350	one off	Capital
Bring skills back into the borough				
More funding to implement ASBO etc				
Accessibility for people with disabilities in council buildings	Access for disabled	200		Capital
CARERS/USERS SUMMARY				
Accessibility for people with disabilities in council buildings and town centre	Access for disabled	200	one off	Capital
	Quality streets initiatives	1,200		Capital
Congestion in town centre and ensuring roads are clear of flooding	Highways maintenance	3,160	£160k future years	Capital
	Local Transport Package	6,900		Capital
Concerned about budget cuts in the voluntary sector and not being kept informed of cuts in services e.g. anti poverty	Bid 92 mainstreaming of anti-poverty unit	227	all years	Revenue
Supported housing for people with mental health problems				
Better access to benefits for less able-bodied people				
CITIZENS PANEL				
Ensure all people are safe and secure	New saving CCTV / community safety	-100	due to availability of NRF funding	Revenue
	CCTV for local history centre	13	one off	Capital
	Modernisation of schools	6,000		Capital
	School building repairs & infrastructure	2,000		USB
	Fitting gates to alleys to prevent crime	250	all years	Capital
	Quality streets initiatives	1,200		Capital
	Public lighting PFI	200	for 3 years	Capital
	Asbestos removal	100	for 4 years	Capital
A clean and green borough	Bid 21 Increase in number of properties requiring domestic refuse collection	10	£15k 06/7 going up by £10k all other 3 yrs	Revenue
	Bid 22 expansion of garden waste collection scheme	90		Revenue
	Bid No 27 Expansion of the gold standard across other district centres	75	all years additional to that already approved in 04/5	Revenue
	Bid C expansion of garden waste collection scheme	40	full year effects of 04/5 approved	Revenue
	Bid 47 Parks and green space improvement strategy	65	all years	Revenue
	Parks and green space strategy	100	2 yrs only	Capital
	Bid B full year impact of 04/5 bid for disposal of garden waste	160	rising to £240K 06/7 and all other years	Revenue
	Bid A Increase in landfill tax	380	full year effect of 04/5. £770k in 06/7, £1165 in 07/8, £1570 08/9 and £1970 in 09/10	Revenue
	Bid D anticipated growth in tipping	40	full year effect of 04/5. £80k in 06/7, £125 in 07/8, £170 08/9 and £215 in 09/10	Revenue
Listening to what people want	Bid 13 Citizens panel - to establish permanent panel to provide representative views of residents of the borough and of local neighbourhood areas.	30	all years	Revenue
BUSINESS SECTOR				
Transport and local transport plan issues	Highways maintenance	3,160	£160k future years	Capital
	Red routes programme	1,000		Capital
	Bus showcase programme	1,000		Capital
	Local Transport Package	6,900		Capital
Environment & town centre issues	Bid No 27 Expansion of the gold standard across other district centres	75	all years additional to that already approved in 04/5	Revenue
	Environmental & heritage revitalisation for districts	1,394		Capital
	New deal for communities	2,300		Capital
	Darlaston SDA	9,600		Capital
	Community regeneration in Walsall	1,867		Capital
	Quality streets initiatives	750	all years	Capital
Education, skill and local business				
Skilled workforce - too much emphasis on staying in academic studies rather than learning a trade				
Re-skilling of existing workforce so that jobs will go to local people				
Leisure and sports	Bid I Walsall outdoor adventure centre	3	going up by £2k pa. Full year effect of 04/5	Revenue
	Walsall Arboretum restoration programme	40		Capital
	Bid 45 Youth services	575	all years	Revenue
	Youth service building refurbishment	100		Capital
	Bid H Blakenhall library one stop	60	all years	Revenue

WALSALL ECONOMIC FORUM				
Prioritise work to the ring road	Highways maintenance	3,160	£160k future years	Capital
	Strategic corridors and gateways	150		Capital
	Local Transport Package	6,900		Capital
School repairs and social care premises	Modernisation of schools	6,000		Capital
	New schools	3,470		Capital
	School building repairs & infrastructure	2,000		Capital
	New build beacon view	500		Capital
	New build fallings health	225		Capital
More gateways into the town centre	Strategic corridors and gateways	150		Capital
Investment in schools needs to be matched by investment in the local economy and regeneration to ensure there are good jobs locally for school leavers				
COMMUNITY AND VOLUNTARY ORGANISATIONS				
More trees on streets				
To tackle quality of life issues including the grotty run down areas.	Bid No 27 Expansion of the gold standard across other district centres	75	all years	Revenue
	Environmental & heritage revitalisation for districts	1,394		Capital
	Bid 47 Parks and green space improvement strategy	65	all years	Revenue
	Parks and green space strategy	100		Capital
Promote healthy food				
Traffic congestion	Highways maintenance	3,160	£160k future years	Capital
	Local Transport Package	6,900		Capital
Secure overnight lorry parking				
More parking spaces				
Community services especially provision for young people suffered cuts and recent growth in budget for youth service has not increased resources for front line provision	Bid 45 Youth services	575	all years	Revenue
	Youth service building refurbishment	100		Capital
Extra provision for local parks	Bid 47 Parks and green space improvement strategy	65	all years	Revenue
	Parks and green space strategy	100	2 yrs only	Capital
Invest more in consultation	Bid 13 Citizens panel - to establish permanent panel to provide representative views of residents of the borough and of local neighbourhood areas.	30	all years	Revenue
Funding for community and voluntary groups to be sustainable				
Funding for the Walsall Domestic Violence Unit				
More to promote local activities	Bid 11 Events and consultancy support - to support key community events and initiatives	20	all years	Revenue
WEB BASED SURVEY				
Ensuring all people are safe and secure	New saving CCTV / community safety	-100	due to availability of NRF funding	Revenue
	CCTV for local history centre	-13	one off	Capital
	Modernisation of schools	6,000		Capital
	School building repairs & infrastructure	2,000		USB
	Fitting gates to alleys to prevent crime	250	all years	Capital
	Quality streets initiatives	1,200		Capital
	Public lighting PFI	200	for 3 years	Capital
	Asbestos removal	100	for 4 years	Capital
Listening to what people want	Bid 13 Citizens panel - to establish permanent panel to provide representative views of residents of the borough and of local neighbourhood areas.	30	all years	Revenue
Ensuring a clean and green borough	Bid 21 Increase in number of properties requiring domestic refuse collection	10	£15k 06/7 going up by £10k all other 3 yrs	Revenue
	Bid 22 expansion of garden waste collection scheme	90		Revenue
	Bid No 27 Expansion of the gold standard across other district centres	75	all years additional to that already approved in 04/5	Revenue
	Bid C expansion of garden waste collection scheme	40	full year effects of 04/5 approved	Revenue
	Bid 47 Parks and green space improvement strategy	65	all years	Revenue
	Parks and green space strategy	100	2 yrs only	Capital
	Bid B full year impact of 04/5 bid for disposal of garden waste	160	rising to £240K 06/7 and all other years	Revenue
	Bid A Increase in landfill tax	380	full year effect of 04/5. £770k in 06/7, £1165 in 07/8, £1570 08/9 and £1970 in 09/10	Revenue
	Bid D anticipated growth in tipping	40	full year effect of 04/5. £80k in 06/7, £125 in 07/8, £170 08/9 and £215 in 09/10	Revenue

Some examples of how the Council's pledges are funded in 2005/6

Ensure a clean and green borough

1. We will increase to 24% the proportion of household waste that is recycled and composted

	£m
Expansion of the garden waste collection scheme – ongoing funding over the next 5 years – revenue	0.130
Kerbside collections – revenue	1.383
Garden waste scheme - revenue	0.645
Disposal of recycled materials - revenue	0.411

2. We will reduce fly-tipping by effective enforcement action

	£m
Enforcement officer - revenue	0.036

3. We will ensure that all libraries and leisure facilities are clean, welcoming and accessible

	£m
Libraries – revenue	0.124
Leisure facilities - revenue	0.152

4. We will ensure our parks and open spaces are well maintained and safe places to enjoy and that local groups are involved in their development and improvement

	£m
Investment In a parks/greenspace improvement strategy – revenue	0.065
Investment In a parks/greenspace improvement strategy – capital	0.100
Walsall Arboretum restoration programme - capital	0.040
Environmental regeneration programme - capital	1.000
Transforming your space - capital	1.176

Make it easier for people to get around

5. We will improve the condition of the Borough's roads – increasing the amount of our roads that we repair

	£m
Highways maintenance – capital	3.160
Red routes programme - capital	1.000
Bus showcase programme – capital	1.000

6. We will improve signposting within the borough

	£m
New signposts - revenue	0.066

7. We will begin construction of a major improvement of the through route from the Arboretum to the Pleck Road junction

	£m
Town centre transport package - capital	6.900

Ensure all people are safe and secure

8. We will work with partners to use the range of legal powers available to prevent and tackle anti-social behaviour

	£m
Anti-Social Behaviour Unit	0.210

9. We will work with the police and other partners to reduce total reported crime in Walsall by 20% over the next three years

	£m
Community safety initiatives	0.979

10. We will work with Local Neighbourhood Partnerships to install up to 10 alley gating schemes in crime hotspots across the borough where there is community support for this

	£m
Fitting of gates to alleys – capital	0.250

Make our schools great

11. Over the next 2 years we will make £32 million available to improve the quality of our school buildings

	£m
School building major repairs - capital	2.400
Modernisation of schools - capital	6.000

12. We will complete the construction of six new school sport and community facilities

	£m
New schools – capital	3.470

13. We will improve the educational achievements of children who are looked after by the council

	£m
Educational funding for looked after children – revenue	0.600

Make Walsall a healthy and caring place

14. We will work with our partners to reduce the number of teenage pregnancies in the Borough

	£m
Funding for teenage pregnancies - revenue	0.459

15. We will develop a borough wide network of children's centres to support children and their families

	£m
Funding of childrens centres - revenue	0.623
Funding of family centres - revenue	0.048

16. We will increase the number of homes meeting the Decent Homes Standard in social rented housing by 10% and increase the proportion of private housing in decent condition occupied by vulnerable groups to at least 65%

	£m
Private sector renovation grants – capital	3.000

17. We will establish a shopmobility scheme for Walsall town centre

	£m
New investment for a fully functioning shopmobility scheme for town centre – revenue	0.50

18. We will support more vulnerable people to live in their own homes

	£m
Independent sector funding – revenue	7.600
Learning disabilities funding – revenue	5.000
Physical disabilities funding – revenue	0.030
Older people funding – revenue	3.900
Supported accommodation – revenue	0.560
Home treatment services (mental health) – revenue	0.040
Major adaptations – capital	4.897
Disabled facilities grants – capital	0.867

19. We will complete the build of three new young people's fitness centres

	£m
Funding for fitness centres – capital (100% grant funded)	0.500

20. We will ensure that schoolchildren are provided with and encouraged to eat healthy and nutritious meals and have the opportunity to participate in at least two hours of physical activity each week

	£m
Publicity to encourage children to eat healthy and nutritious meals – revenue	0.020

Encourage everyone to feel proud of Walsall

21. We will improve the key routes into the Borough including the A454 and A461 corridors as part of our gateways programme

	£m
Strategic corridors and gateways - capital	0.150

22. We will improve the environment in Walsall Town Centre by completing further phases of the Quality Streets programme including the Civic Quarter

	£m
Quality streets and associated schemes - capital	1.200
Major repairs to non education premises - capital	3.000

23. We will develop a Summer Programme for our young people

	£m
Summer programme - revenue	0.250

Make it easier to access local services

24. We will increase the availability of interpretation and translation services to ensure that all our communities have access to our services

	£m
Provision of corporate translation / interpretation facilities – revenue	0.030

25. We will create a new, easy-to-use web site that will help local people access services around the clock

This is currently funded from the revenue base budget. In addition, the first stop shop concept and PTCF partnership are aimed at improving customer access to services

26. Library services will stay open at more convenient times, with greater access to books and information, particularly on line

Library services is within scope of the PTCF and it is expected that investment in library services will deliver this pledge.

Strengthen the local economy

27. We will develop plans which will bring about visible positive change in the main district centres of Aldridge, Bloxwich, Brownhills, Darlaston and Willenhall

	£m
Expansion of the gold standard across other district centres – revenue	0.075
Events and consultancy support – revenue	0.020
Black country study - revenue	0.188
Environmental and heritage improvements to district centres – capital	1.394
New deal for communities – capital	2.300
Darlaston SDA - capital	9.600

28. We will implement nine Local Neighbourhood Plans each specific to local communities and addressing local priorities

	£m
Funding for local neighbourhood plans	0.250

Listen to what local people want

29. We will engage young people to participate in improving the quality of Youth Services to ensure that they have a positive impact on their lives

	£m
Youth service provision - revenue	0.575
Youth service building refurbishment – capital	0.100

30. We will expand our Citizens' Panel of residents and use it as one way of shaping our services to reflect local needs and priorities

	£m
Permanent funding of the citizens panel (1,000 place) - revenue	0.030

31. We will produce and distribute a new civic newspaper to all households in the Borough

Funding is available within the revenue base budget

Transform Walsall into an excellent local authority

32. We will increase the numbers of employees who are from minority ethnic backgrounds, or have a disability, so that our workforce is more representative of the community it serves

	£m
Introduction of a 6 place supernumerary disability scheme - revenue	0.090

33. We will identify efficiency savings of at least 2.5% of the council's budget, and plough those savings into priority services and tasks

The Gershon efficiency review requires local authorities to deliver target efficiencies of 2.5% annually, of which 50% should be cashable. These efficiencies can be used to re-invest in services. This is reflected in our medium term financial strategy.
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34. We will continue to exercise sound financial management, delivering our targets within budget

Financial stability is evidenced by adequate levels of reserves and comprehensive assessment and management of risk. All managers are required to sign up to delivering their service delivery targets within budgets. All financial activity is undertaken with regard to the approved medium term financial strategy. Our inspection outcomes reflect sound finances.

SUMMARY OF DRAFT CORPORATE REVENUE FORECAST 2005/6 INCLUDING INVESTMENT

SERVICE / LEVY ETC.	#REF! BASIC FORECAST £	ADD: INFLATIONARY PRESSURES £	PAY AWARD £	OTHER CHANGES £	REMOVAL OF ONE-OFF 2003/4 GROWTH £	TOTAL BASIC FORECAST 2005/6 £	IDENTIFIED SAVINGS £	ADD: INVESTMENT BIDS £	FORECAST INCL INVESTMENT BIDS £
Corporate services	4,852,884	135,072	170,337	756,010	-2,343,064	3,571,239	-255,400	475,000	3,790,839
Finance, law & performance	15,042,165	352,407	417,000	449,735	762,666	17,023,973	-457,000	408,058	16,975,031
Social care and supported housing	82,760,728	1,918,034	1,435,413	1,566,569	-885,000	86,795,744	-3,535,000	2,908,000	86,168,744
Lifelong learning & community	206,789,114	6,725,633	602,730	3,150,044	-2,295,819	214,971,702	-107,869	733,000	215,596,833
Regeneration, housing and built environment	35,724,583	473,212	991,769	424,388	-1,896,538	35,717,414	-1,565,412	970,000	35,122,002
SUB TOTAL SERVICES	345,169,474	9,604,358	3,617,249	6,346,746	-6,657,755	358,080,072	-5,920,681	5,494,058	357,653,449
Capital Financing	13,293,794	0	0	1,013,910	0	14,307,704	-217,000	0	14,090,704
LESS: Capital Charges	-42,306,481	0	0	0	0	-42,306,481	0	0	-42,306,481
Non-service specific prudence/central items	-2,158,598	34,903	0	-88,851	3,559,755	1,347,209	-100,000	1,262,019	2,509,228
SUB TOTAL CENTRAL ITEMS	-31,171,285	34,903	0	925,059	3,559,755	-26,651,568	-317,000	1,262,019	-25,706,549
Levies:									
PTE	11,948,323	298,708	0	-568,000	0	11,679,031	0	0	11,679,031
Environment Agency	74,965	3,971	0	0	0	78,936	0	0	78,936
NET REVENUE EXPENDITURE	326,021,477	9,941,940	3,617,249	6,703,805	-3,098,000	343,186,471	-6,237,681	6,756,077	343,704,867
(Use of)/contribution to general reserves	- 4,008,733	0	0	-285,000	4,008,733	-285,000	0	0	-285,000
(Use of)/contribution to other reserves	- 700,000	0	0	-950,000	700,000	-950,000	0	0	-950,000
GRAND TOTAL BUDGET REQUIREMENT	321,312,744	9,941,940	3,617,249	5,468,805	1,610,733	341,951,471	-6,237,681	6,756,077	342,469,867

**SUMMARY OF DRAFT CORPORATE REVENUE FORECAST 2005/6 INCLUDING INVESTMENT
2005/6 FULL YEAR IMPACT OF APPROVED 2004/5 INVESTMENT**

INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	ANNUAL NET COST					DETAILS OF HOW THE INVESTMENT MEETS THE COUNCIL'S VISION PRIORITIES	CONSEQUENCES / RISK OF NOT GOING AHEAD
		2005/06 £000	2006/07 £000	2007/08 £000	2008/09 £000	2009/10 £000		
	REGENERATION, HOUSING AND BUILT ENVIRONMENT							
A	Increase in landfill tax Landfill tax will increase by £1 per tonne in 2004/05 and thereafter annually by £3 per tonne until a ceiling of £35 per tonne is reached.	380	770	1165	1570	1970	Contributes to vision 2008 priority 1 "ensure a clean and green borough".	Spending on landfill is unavoidable and without growth the existing budget would be overspent. Impact on BVPI 86 and 87
B	Disposal of garden refuse Contractual arrangements will see the introduction of a gate fee for the disposal of green waste. The cost assumes arrangements continue following the end of the existing contract (2006/07). Tenders for this work have also being sought via the Black Country Waste Management Forum.	160	240	240	240	240	Contributes to vision 2008 priority 1 "ensure a clean and green borough".	Potential impact on BVPI 82b, 82d, and 87. Overspend on existing provision for waste disposal. Impact on statutory recycling and composting target (24% - 2005/06).
C	Expansion of garden waste collection scheme Full year effect of brown bin expansion programme 03/04 (22,000) and 04/05 (7,000)	40	40	40	40	40	Improved performance on BVPI 82b and 82d. Contributes to vision 2008 priority 1. 'ensure a clean and green borough'.	Not achieving statutory performance target at 24% (2005/06).
D	Anticipated growth in tipping Growth has averaged 1.9% over the past three years.	40	80	125	170	215	Contributes to Vision 2008 Priority 1 "ensure a clean and green borough".	Overspend on existing budget provision for waste disposal.
E	Disposal of tyres Approved growth in 2003/04 £20K. Anticipated increase in disposal costs associated with tyres directive which bans the disposal at landfill sites from 2006/07.	0	40	40	40	40	Contributes to vision 2008 priority 1. 'ensure a clean and green borough'.	Contribution towards achievement of statutory recycling target and landfill diversion targets.

INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	ANNUAL NET COST					DETAILS OF HOW THE INVESTMENT MEETS THE COUNCIL'S VISION PRIORITIES	CONSEQUENCES / RISK OF NOT GOING AHEAD
		2005/06 £000	2006/07 £000	2007/08 £000	2008/09 £000	2009/10 £000		
F	Mainstream community safety unit The authority is required by Section 17 of the Crime & Disorder Act 1988 to implement community safety policies.	0	65	65	65	65	This investment will assist the authority to deliver on its priorities included within its vision statement. In particular helping to ensure that all people are safe and secure.	The authority is required by section 17 of the Crime & Disorder Act 1998 to implement community safety policies.
	Total Regeneration, Housing & Built	620	1,235	1,675	2,125	2,570		
	LIFELONG LEARNING AND COMMUNITY							
G	Teacher payments music and music support grant To meet increased pay bills for teachers from threshold 3, etc plus loss of core funding grant.	607	607	607	607	607	The music service is an award winning service and contributes significantly to making our schools great by providing a subject that stimulates learning.	Redundancies, reduction then closure of service.
H	Blakenall library (one stop) Running costs for new library at Blakenall one stop shop.	60	60	60	60	60	The library will enable residents to access services more easily.	Litigation, poor services, accidents, poor BVPI results.
I	Walsall outdoor adventure centre Outdoor adventure centre, via new opportunities funding (NOF) 3 scheme, £400k earmarked. Facility based on Aldridge airport site. Grant has been approved.	3	5	7	9	11	The investment will enable children and young adults to have access to facilities that are not available at the moment in the borough. The new facility will be an asset to people of the borough.	Building and service cannot progress and £400k of funding will be lost.

INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	ANNUAL NET COST					DETAILS OF HOW THE INVESTMENT MEETS THE COUNCIL'S VISION PRIORITIES	CONSEQUENCES / RISK OF NOT GOING AHEAD
		2005/06 £000	2006/07 £000	2007/08 £000	2008/09 £000	2009/10 £000		
J	Replacement of flexible learning centres pc's (172 in all) on a 3yr cycle To keep public access computers in libraries up to date. 19 libraries in the borough - 3 computers in small libraries & 10-16 in large libraries. Government standard is 6 computers available per 10,000 of the population.	30	53	58	52	52	Giving residents access to ICT facilities is a key priority. It will improve their skills and enable to access online services.	Poor facilities, under used, unable to meet standards.
	Total Lifelong Learning & Community	700	725	732	728	730		
SOCIAL CARE AND SUPPORTED HOUSING								
K	Client demand - learning disabilities - 05/6 & future yrs effect of growth approved 04/5 Client demand for new LD clients - will be spent on a range of new services to include supported living, home care, day care etc.	366	366	366	366	366	Ensuring that vulnerable adults with learning disabilities are safe and secure and their assessed needs are met.	Existing demand continues to increase - failure to fund new demands will result in new packages of care not proceeding and support to citizens not met - in addition the view of the Commission for Social Care Inspection (CSCI) was that services in Walsall for people with learning disabilities was excellent.
L	Client demand learning disabilities - new identified growth 05/6 Client demand for new LD clients - will be spent on a range of new services to include supported living, home care, day care etc	426	794	794	794	794	Ensuring that vulnerable adults with learning disabilities are safe and secure and their assessed needs are met.	Existing demand continues to increase - failure to fund new demands will result in new packages of care not proceeding and support to citizens not met - in addition the CSCI view that services in Walsall for people with learning disabilities was excellent.

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		2005/06 £000	2006/07 £000	2007/08 £000	2008/09 £000	2009/10 £000		
M	Independent sector home care fee increases Projected increase in independent sector home care fees - 2% above base budget allowance of 3.5%.	81	81	81	81	81	Ensuring that assessed needs of vulnerable older people are met.	Unstable market - fee increases need to keep pace with other local authorities - projected 5.5% for industry sector home care from June 2005.
N	Mental health preserved rights Funding required to change packages of care for preserved rights clients (mental health) - reassess clients - clients still in system - unique issue for mental health.	100	200	200	200	200	Addressing the assessed need of clients with mental health problems in preserved rights placements.	There are a number of existing service users with preserved rights and existing resources are inadequate to meet their care needs. Should this additional funding not be forthcoming, additional demands will be placed on next years continuing care resources.
O	One year reduction in cash limit (04/5) added back Corporate adjustment in 04/5 required to be added back in 05/6.	31	31	31	31	31		Direct cut to 05/6 budget.
P	Care standards - budget realignment Long standing operational shortfall originating from 02/03 where costs of weekend working, additional allowances etc. increased expenditure in this area.	300	300	300	300	300	Ensuring older people receive services which meet national standards.	Insufficient revenue funding to cover the cost of current residential services. Failure to meet national minimum standards, poor management of buildings, data and P.I.S.
	Total Social Care and Supported Housing	1,304	1,772	1,772	1,772	1,772		
	TOTAL ALL DIRECTORATES	2,624	3,732	4,179	4,625	5,072		

**SUMMARY OF DRAFT CORPORATE REVENUE FORECAST 2005/6 INCLUDING INVESTMENT
NEW INVESTMENT - PRIORITY "A"**

INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	ANNUAL NET COST					DETAILS OF HOW THE INVESTMENT MEETS THE COUNCIL'S VISION PRIORITIES	CONSEQUENCES / RISK OF NOT GOING AHEAD
		2005/ 06 £000	2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000		
	CORPORATE SERVICES							
1	Mortuary accommodation - winter provision To meet a proportion of the cost of providing temporary additional mortuary accommodation during the winter periods attributable to the use of the facility by the coroner.	8	10	0	0	0	Ensures that the coroner is able to carry out his responsibilities with the minimum of distress to residents and maintain the required level of service throughout the year.	Mortuary accommodation might not be available - council could be in breach of statutory responsibility. Poor image of council.
2	New licensing laws for public houses - funding of licensing team New licensing laws for pubs -personal licence now req'd, renewable every 10 yrs and one-off premises licence covering the life of the business. The income in the 1st year provides savings in that yr but incurs costs from 6/7 as the no. of entertainment licences reduces. Funding req'd to finance the operation of the team.	10	42	42	42	42	Ensure council able to comply with statutory licensing requirements and licensing team able to provide high quality service to its customers.	Inadequate funding will inhibit the ability of the council to comply with statutory requirements.
3	Connection to the West Midlands Regional Broadband Network Annual service charge for connecting to the West Midlands Regional Broadband Network	28	28	28	28	28	Improves access to council services and transforming Walsall into an excellent authority	The Council will be excluded from the West Midlands Regional Broadband Network
4	Head of corporate support post To provide support to executive director of corporate services on corporate support functions	73	73	73	73	73	Enables co-ordination of all corporate services to meet obligations.	Deliver on a range of corporate initiatives
5	Management development programme Continue to deployment of the management competencies programme. This would include managers participating in development centres, attending various modules to strengthen their skills, knowledge & experience. Performance coaching for self / and or team etc.	100	100	100	100	100	This will strengthen both the management capability and capacity, which will ultimately result in improved service delivery.	Failure to continue with the programme could result in inconsistent management practices together with further criticism of poor leadership / management as highlighted in previous inspection reports.

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		2005/ 06 £000	2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000		
6	Service awards To continue to recognise team improvement / service delivery.	10	10	10	10	10	Transforming Walsall into an excellent authority where employees' contribution towards service delivery is recognised.	Potential reduction in staff morale, increase in sickness absence, limits the potential of sharing learning therefore not becoming a learning organisation.
7	Introduction of a 6 place supernumerary disability scheme Establishment of a 6 place supernumerary scheme for people with a disability in order to address poor employment performance.	90	108	108	108	108	Increase the councils BVPI 16a - employing people with a disability.	The authorities profile of employing people with a disability remains low and hinders the authority's attempt of becoming an excellent council - not achieving or exceeding current BVPI target.
11	Events and consultancy support To support key community events and initiatives organised by new equalities team.	20	20	20	20	20	Promotes diversity; develops effective partnership working; underpin & strengthen key performance measures inc. the equality standard & race equality scheme; strengthen the council in this area in readiness for corporate assessment. Supports community cohesion.	Council will be perceived to be failing to deliver improvements in this area, and failing to engage fully and effectively with community; failure to achieve KPIs.
12	Provision of corporate translation / interpretation service Building on current year developments, including identified sound practice, to establish quality services, in-house and external, for provision of interpretation and translation services - community languages and human aids to communication (british sign language, braille, etc.)	30	30	30	30	30	Vision highlights inclusive borough, valuing cultural diversity, treating all people fairly, equally and with respect. Addresses priorities relating to listening and improving access to services.	Failure to meet requirements under disability discrimination and equality legislation; failure to follow through on key recommendation in the Audit Commission housing inspection; also key outcome of diversity conference, and council recognition of british sign language.
13	Citizens Panel - 1,000 places Building on pilot panel established as one-off in current year, to establish permanent panel of more appropriate size to provide representative views of residents of the borough and of local neighbourhood areas.	30	30	30	30	30	The citizens' panel provides a key means of obtaining the views of residents on key issues relating to the council, its services and the borough, leading to service improvements and improved customer satisfaction levels.	Inability to gain rounded picture of the views, needs and perceptions of local residents, and to act on what we hear. Risk that our services may not reflect the needs and address the concerns of local people and service users.

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		2005/ 06 £000	2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000		
14	Freedom of information act (FOI) - permanent post To establish a dedicated resource to co-ordinate responses to FOI requests in line with tight statutory timescales; to continue training and awareness raising within the council; to make further improvements in council records management systems.	26	35	35	35	35	To meet a new statutory obligation to provide a wide range of information held by the council on request, in line with the Act and related guidance. Relates closely to the council priority to make it easier to access local services - and information about those services.	The council must fulfil its new statutory obligations - the Information Commissioner has a range of powers to require councils failing to deal with FOI effectively to take urgent action. Risk of damage to the council's reputation locally and nationally.
15	Shopmobility Enhanced council support for a fully functioning shopmobility scheme for Walsall town centre.	50	50	50	50	50	The provision of a shopmobility scheme has been flagged up in consultations towards the council vision in 2003 and on diversity and equality issues in April 2004.	Failure to meet identified public concerns and priorities; negative impact on the town centre; perceived lack of commitment to equalities and to local disabled people.
	Total Corporate Services	475	536	526	526	526		
	REGENERATION, HOUSING AND BUILT ENVIRONMENT							
17	Cemeteries - shortfall in income Net impact of the revised charging policy on cemeteries and crematoriums which will generate a further £90k per annum.	10	10	10	10	10		Inaccurate base budget.
19	Loss of income from car parks Parking lost as a result of the town centre transport package (TCTP) and Shannon's Mill development.	90	240	240	240	240	The TCTP and Shannon's Mill development are vital to maintaining the vitality and viability of the town centre.	The loss of these two schemes would result in the loss of some £80m of inward investment, and have a considerable impact upon the vitality and viability of the town centre and borough as a whole.
21	Increase in number of properties requiring domestic refuse collections Growth in number of domestic properties.	10	15	25	30	40	This supports the priority of the council - clean and green	This is an unavoidable cost pressure.

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		2005/ 06 £000	2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000		
22	Expansion of garden waste collection scheme Full year effect of brown bin expansion programme 03/04 (22,000) and 04/05 (7,000)	90	90	90	90	90	Improved performance on BVPI 82b and 82d. Contributes to vision 2008 priority 1 'ensure a clean and green borough'.	Not achieving statutory performance target at 24% (2005/06).
24	Fall-out of ERDF/ESF for urban regeneration Mainstreaming of 2 posts currently funded via ERDF/ESF which falls out in 2005/6.	45	45	45	45	45	The economic development team will make a significant contribution to strengthening the local economy.	Insufficient budgetary provision for the economic development team will restrict its ability to develop strategies for addressing the need to strengthen the local economy.
25	Energy efficiency officer Requirement by GOWM to undertake energy efficiency work, there is no one undertaking this work for the council, and we need to take a more focused approach to energy efficiency work and do secure a officer with this skill and knowledge to undertake such work.	30	40	40	40	40	Targeted work by an energy efficiency officer will help more vulnerable people live at home and help the council meet the decent home target for the private sector.	Failure to employ a specialist officer could sub-optimize support to vulnerable people and impact on our housing inspection
27	Expansion of the gold standard across other district centres To extend the gold standard into the district centres of Willenhall, Darlaston, Bloxwich, Aldridge and Brownhills on a phased basis to commence in 2005/06.	75	75	75	75	75	Priority 1 and priority 6. Improved performance on BVPI 199.	Inconsistent standards of cleaning in town centres.
	Total Regeneration, Housing & Built Environment	350	515	525	530	540		

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		2005/ 06 £000	2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000		
	LIFELONG LEARNING AND COMMUNITY							
45	Youth service - fall out of budget delegated to partner organisations Council does not currently fund the youth service to the level indicated in the formula spending share. Youth service provision has been sustained covered by NRF / temporary one off funding. However the fallout of NRF / this temporary funding will put considerable pressure on the youth service provision and prevent implementation of the post inspection improvement plan.	575	575	575	575	575	Investing in high quality youth work is fundamental to the future of the borough. It will enhance educational attainment, reduce anti-social behaviour and support the development of active citizenship. The service has recently been expected by Ofsted and that the Council will be expected to continue with current levels of funding.	Inability to improve service to young people. Criticism in Ofsted inspection. Failure to invest properly. It could also mean that the authority would be unable to complete the post Ofsted action plan. Key priorities for the council would be affected. There is likely to be an increase in disengagement & disaffection
19	Music support grant - balance now not required This was awarded during the 2004/5 budget setting process to the music service. It is now anticipated that music service standards fund will not drop out to at least 2007/8.	-607	-607	0	0	0	N/A - this bid was approved as part of the 2004/5 budget and is now not required as confirmation has been received that the grant will continue for a further 2 years	No risk, as grant is continuing for 2 further years.
new	Fall out of rental income from wharf bar Income currently received by the art gallery will cease as it is expected that the premises will be purchased - it is anticipated this will drop out in 2006/7	0	45	45	45	45	The art gallery is a flagship state of the art new building for Walsall. A large amount of investment has been generated for this project, a major asset which is seen to encourage everyone to feel proud of Walsall, and to raise further the profile of our cultural treasures.	The rent income is a valuable contribution towards the costs of operating the art gallery. Should this funding be lost, then further cuts in services will be required to plug the funding gap. Also, the art gallery receives annual funding from the Arts Council, which may be jeopardised if Walsall MBC funds are withdrawn.

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		2005/ 06 £000	2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000		
47	Parks / greenspace improvement strategy Investment will affect all parks, public open space, play areas, allotments, fishing pools, country parks & nature reserves. Many facilities are in a less than adequate condition due to reduction in revenue/capital resources. This has led to a lack of site pride & gradual decline in the quality/quantity of assets.	65	65	65	65	65	There are 16 friends of parks / green spaces focus groups that support this kind of increased investment. Thus the project complies with listening to what local people want. The investment will help contribute to ensuring the borough is clean and obviously green. The investment will open up further green spaces assisting in making it easier for people to get around. The investment will assist in making people safe and secure, and help Walsall become a healthy and caring place.	Decline in the standard of public open spaces and parks across the borough. Increased difficulty in complying with DDA for a number of play sites. Also difficulty in meeting the policies of LNPs in relation to dog fouling, health walks etc. The council will face continuing public criticism of its care of parks and green spaces.
	Total Lifelong Learning & Community	33	78	685	685	685		
	SOCIAL CARE AND SUPPORTED HOUSING							
49	Fall out of asylum seekers grant income Loss of income will be a direct budget cut for the department.	330	331	335	339	344	Supporting asylum seekers.	Not negotiable - income generated through the asylum seekers contract will be lost.
50	Support payments for looked after children (LAC) Required for children under s17 s23 s34 of the Children's Act - majority of which are court ordered and uncontrollable - although a few under section 20 - looking at commissioning and procurement of services - supervised visits.	225	225	225	225	225	Ensuring children are safe & secure and that they are able to access local services, to ensure that appropriate statutory intervention is achieved for children at risk.	Extensive audit and new tendering process to address overspend result of historically insufficient budget, court requirements, Human Rights Act etc.
51	Additional costs of agency staff within social work teams for LAC High level of agency staff requires additional funding.	170	170	170	170	170	Ensuring children are safe & secure and that they are able to access local services, to ensure that appropriate statutory intervention is achieved for children at risk.	Inability to fulfil statutory functions due to recruitment crisis.

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		2005/ 06 £000	2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000		
52	Realignment of salaries of children's service managers To enable a more strategic approach to service delivery.	50	50	50	50	50	Ensure appropriate skilled & qualified managers retained within service area.	Retention issues - inability to complete senior management structure.
54	Restructure in older peoples and physical disability and sensory impairment services (OP/PDSI) To meet changing and developing service needs - reports in place to JNCC.	48	148	148	148	148	Addressing poor performance and improving outcomes for older people and people with physical and sensory impairment.	Will not be able to meet key targets - National Standards (NSF)
55	PDSI development budget Development work to identify unmet needs of this client group - service user involvement - meet demographic demand.	50	50	50	50	50	Ensuring services are developed based on listening to service users and carers.	Will not be able to develop services for this group of clients.
56	Service user and carer consultation across client groups Required to implement user involvement strategy.	0	10	10	10	10	This will demonstrate how the council listens to what people want and improve services to make Walsall a healthy and caring place.	Unable to deliver user involvement strategy.
57	Home treatment services - mental health Reconfiguration of assertive outreach team, mental health crisis team. - shift towards home treatment - compliant with Strategic Health Authority (SHA) and National Services Framework (NSF) regs - approved social work requirement for out of hours. This will pay for new star workers to release social work posts.	40	50	50	50	50	Ensuring needs of those with serious mental illnesses are met.	This is a national requirement and Walsall has been highlighted by the strategic health authority as failing to comply with national guidance. There is an improvement target associated with this. Any failure will result in a negative assessment.
58	Joint management arrangements - mental health Contribution towards 1/2 of joint director of mental health and 1/2 of joint commissioning manager - other 50% from PCT.	80	80	80	80	80	Improving performance and outcomes for those with mental health problems.	Component part of the joint arrangements between the PCT and the MBC, lack of resources will result in delaying the partnership arrangements. Any reduction in management capacity at this point in time will slow down the progress in those joint arrangements.

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		2005/ 06 £000	2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000		
59	Fall out of mental health grant Shortfall of mental health grant based on changed national formula - leads to a cut in mainstream resources.	44	86	129	129	129	Improving performance and outcomes for those with mental health problems.	As the formula for this grant has been reconfigured Walsall's allocation will be reduced year on year. If the reduction is not replaced by new resources, directly delivered services will be reduced as they rely on this as part of their core funding.
60	Mental health social worker posts 3 social workers at west, east and central community mental health teams for older people (CMHTOP) - specialist service for older people with mental health needs.	70	93	93	93	93	Ensuring older people with mental health problems and dementia receive services to meet needs.	Insufficient social work support at CMHTs for older people.
61	Supporting people contractual and commissioning support Contractual support to ensure supporting people (SP) programme can be delivered.	23	30	30	30	30	This will help the council spend more money on helping people stay in their own home and improve the services they receive under supporting people grant.	Will not be able to commission underspends from 03/04 - convert ODPM contracts to new contracts, will not be able to fund the full SP budget.
62	Contract management of agency staff contract Contract manager to monitor agency staff contracts to be implemented in 2004.	20	27	27	27	27	This will deliver better value for money and secure safe contracts for the provision of agency staff which ensures service continuity for vulnerable people.	Will not get best value from the contract. Contract quality will be at risk.
64	Home care contract monitoring Contract officer staff to monitor core and additional quality standards.	20	54	54	54	54	This will ensure vulnerable people receive safe and effective home care services and also that the council receives value for money.	Must respond to user survey, additional contract standards.
65	Commissioning support - PDSI Final post to complete all commissioning development officers for all client groups - 20 residual hours across whole service.	19	25	25	25	25	Social inclusion will be enhanced by ensuring that services to people with sensory disability and sensory impairment are developed to better meet their needs.	Gap - no support in commissioning to this client group.
66	Direct payments support Funding support - contracting for direct payments.	19	25	25	25	25	This will provide help for people to manage their direct payments for services which helps them choose and fund their own services.	Unable to deliver government targets for direct payments.

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		2005/ 06 £000	2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000		
67	Agency staff clearing house Co-ordination of agency staff placements in line with new contracting arrangements - admin staff	30	40	40	40	40		Necessary for effective administration of the employment of agency staff. Purchasing would revert to managers which would be uncoordinated and increase risks of non compliance with new contract arrangements.
68	Improvement plan In 2003/04 it was assumed that a number of costs contained within the social services improvement plan would fall out. This is not the case, so this now generates an additional pressure.	205	530	530	530	530	Ensure appropriate skilled & qualified managers are retained within service area.	The improvement plan involved recruitment to a number of key senior management posts which would need to be deleted if this investment is not approved.
70	Additional housing support workers - supported housing To increase number of staff from 2 to 4, rising to 5 in 06/7.	60	90	90	90	90	Ensuring vulnerable adults receive high quality and timely advice	Failure to demonstrate significant improvement in performance, investment in the Government's prevention agenda at a time when the service is judged to be poor and a re inspection is scheduled for July 2005.
71	Homelessness prevention strategy New technology to speed up info gathering £10k, homelessness prevention fund £15k - new post pro active 'home visiting' prevention officer £30k, mediation services £10k and expand rent scheme £10k.	60	75	75	75	75	Reducing causes of homelessness.	Intended to develop tools to respond to the homelessness prevention agenda & provide an effective advice service - unable to deliver plan in the homelessness strategy, increased homeless applications if opportunity to prevent not taken.
72	Supported people admin grant (expected fall-out 06/7) Fall out of SP grant - est. per national indication in 05/6 - investment required to sustain level of staffing within SP team in future pending government review of SP admin.	41	350	350	350	350	Supporting people service helps hundreds of citizens remain in their own homes & enjoy more choice. The ODPM reduces the grant for support services each year even though the demand for support increases, this funding will ensure that the supporting people service continues to ensure choice.	Non negotiable - loss of core funding.
	Total Social Care and Supported Housing	1,604	2,539	2,586	2,590	2,595		

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		2005/ 06 £000	2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000		
	FINANCE, LAW AND PERFORMANCE							
73	Physical disability and sensory impairment senior accountant - SCSH Additional finance support required.	0	29	32	32	32	Modern effective council - provision of finance support.	Ineffective finance support, to support service delivery.
74	Additional leasing requirement - fleet Leasing bids for new and existing vehicles.	350	960	960	960	960	New vehicles will improve service delivery across the council.	Higher maintenance costs for old vehicles and services not being provided.
74A	Additional income from DEFRA - fleet	-61	-61	-61	-61	-61		
75	Licensing lawyer New licensing regulations applicable to local government. Advice will be required in respect of granting licences, etc.	40	40	40	40	40	Modern effective council - provision of legal support to allow full compliance with new regulations.	Unable to provide effective support to new function, ineffective delivery of new requirements.
78	Corporate projects team - corporate finance Investment to create a corporate finance projects team to support delivery of corporate projects.	35	35	35	35	35	Modern effective council - effective finance support to ensure the councils financial interests are protected.	Councils financial interests are not protected. Increased need for external consultancy support.
78A	Savings in purchasing of specialist finance support to deliver major projects - corporate finance	-40	-40	-40	-40	-40		
new	Housing benefits due to changes in subsidy income - Possible shortfall in revenue due to changes in subsidy income and possible clawback following DWP decision on capping % of hb gain. The council will be informed in December 2005 as to whether this commitment will be due.	0	508	0	0	0	One-off impact due to change in housing benefit regulations this is an unavoidable commitment - the council will be informed in December 2005 whether the change in regulations will result in this pressure	Shortfall in housing benefitunavoidable commitment
new	Charitable Relief for Local Taxation Unit	85	85	85	85	85	This will enable the council to meet its obligation to award charitable relief.	Shortfall in the overall level of charitable relief budget required to meet obligations.
	Total Finance, Law & Performance	409	1,556	1,051	1,051	1,051		

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	CENTRAL ITEMS							
79	Costs of Norwich Union House - non controllable cost, ongoing cost to the council - LL&C Ongoing accommodation costs. Lifelong learning and community were forced to move to the property to facilitate the first stop shop extension. Currently funded through a central corporate reserve.	60	60	60	60	60	First stop shop will allow better customer access to services.	Dramatic effects on service delivery. Would have to find other accommodation. Council would still have to pay for the lease at NU house because of agreement.
80	Costs of Tameway Tower - non controllable cost, ongoing cost to the council - LL&C To cover rental charges on office space due to move from civic centre to Tameway Tower in order to accommodate first stop shop.	105	105	105	105	105	First stop shop will allow better customer access to services.	These will be on going rental costs which will have to be funded.
81	Additional costs of occupation of additional accommodation - SCSH Covers a variety of accommodation related issues, Lime House, Tameway Tower due to increased costs of rent, rates, service charges, BOSS etc.	310	335	335	335	335	This investment in accommodation will provide enhanced facilities for staff and service users making it easier for people to access services and encouraging staff and citizens to feel proud of Walsall MBC.	Inadequate accommodation to meet service requirements - some staff are in buildings which are not fit for purpose - potential breach of health and safety.
91	Black Country Study - RHBE This will inform future amendments to regional planning guidance (RPG) & provide the basis for the physical regen. of the area. It will therefore, help set the context within which stat. dev. plans (currently the UDP) are prepared. As such, the study will impact on people and communities across the borough.	188	223	0	0	0	Contributes to vision 2008 priority 1. "ensure a clean and green borough", priority 2 "make it easier for people to get around", priority 6 "encourage everyone to feel proud of Walsall", and priority 8 "strengthen the local economy." Will also reduce liability claims as the result of trips and falls.	The government's states that the black country should undertake a broadly-based sub-regional study to address issues in the black country, including its urban capacity, identification of employment land, scope for environmental and town centre improvements, and ways of improving access to regeneration sites.

INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	ANNUAL NET COST					DETAILS OF HOW THE INVESTMENT MEETS THE COUNCIL'S VISION PRIORITIES	CONSEQUENCES / RISK OF NOT GOING AHEAD
		2005/ 06 £000	2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000		
92	Mainstream funding of welfare assessment (anti-poverty) unit. To enable the development and implementation of a borough wide anti-poverty strategy	227	227	227	227	227	5: welfare benefits take-up reduces health inequalities thereby contributing to making Walsall a healthy & caring place 7: benefits take-up & assoc. sign posting makes it easier to access local services 8: increased benefits take-up strengthens local economy. Each £1 of additional benefit paid generates £4 of local economic activity (through multiplier effect) 10: max of benefits has positive impact on local tax collection rates, key BVPI's, thereby contributing to overall excellence.	The inability to take a strategic borough wide approach to tackling poverty and maximise welfare benefit take up. Redeployment (and/or) redundancy costs for 7 staff whose short term NRF funding expires on 31/03/05. Lost productive output from these staff who would otherwise undertake surveys of 2,500 properties, 4,500 residents and generate approx. £1.5m of new benefit payments from central government.
94	Schools Catering Investment needed to resolve the historical under funded position of the service - particularly the schools catering service. A recent consultant report recognised the budget targets for the service were unrealistic & for the service to be sustainable a correction of this underfunding is required. It will also enable the council to meet properly its responsibilities to delegate the costs of providing school meals to individual school budgets.	371	321	300	300	300	Improvements in schools catering will assist in making our schools great. This will assist in healthy eating. This could be crucial to improving health outcomes for children and young people especially our goal to reduce obesity.	The council is required to delegate the actual costs of providing school meals to schools budgets. Continuing failure to do this will impact upon the schools view of the local authority and risk serious criticism under the fair funding legislation.
Total Central Items		1,261	1,271	1,027	1,027	1,027		
TOTAL ALL DIRECTORATES		4,132	6,495	6,400	6,409	6,424		

SUMMARY OF DRAFT CORPORATE REVENUE FORECAST 2005/6 INCLUDING INVESTMENT

SAVING / INCOME NO	SAVINGS / INCOME GENERATION	ANNUAL NET COST					DETAILS OF SAVING / INCOME GENERATION / RISKS IN IMPLEMENTING
		2005/6 £000	2006/7 £000	2007/8 £000	2008/9 £000	2009/10 £000	
	CORPORATE SERVICES						
1	Income generation from new public houses licensing laws	-65	0	0	0	0	Public houses need to hold a personal licence (renewable every 10 years) and a one-off premises licence (lasts the life of the business). Income from entertainment licences will reduce following this new legislation, hence a new investment bid included of £36k per annum.
2	Savings generated through centralised procurement process	-90	-90	-90	-90	-90	Projected saving of £450k included in last years' investment choices. Now estimated that this will be approx.£540k minimum saving
new	Telephone contract	-50	-50	-50	-50	-50	Saving from new contract
new	Reduction in staff advertising budgets	-50	-50	-50	-50	-50	Savings arising from a review of the media used for advertising
	Total Corporate Services	-255	-190	-190	-190	-190	
	REGENERATION, HOUSING AND BUILT ENVIRONMENT						
3	Restructure of planning & transportation	-70	-70	-70	-70	-70	Reshaping of service area will generate savings
4	Review of IT budgets	-45	-45	-45	-45	-45	Re-prioritisation of budgets to minimise cuts in front-line services
5	Highways PFI	-70	-140	-140	-140	-140	Options appraisal being undertaken and budget re-profiled for 05/6
6	Waste disposal savings	-75	-75	-75	-75	-75	Budget re-profiling
7	Vacancy management - Increase to 5%	-350	-350	-350	-350	-350	Re-prioritisation of budgets to minimise cuts in front-line services
8	Community regeneration - management restructure	-30	-30	-30	-30	-30	Re-shaping linked to programme management

SAVING / INCOME NO	SAVINGS / INCOME GENERATION	ANNUAL NET COST					DETAILS OF SAVING / INCOME GENERATION / RISKS IN IMPLEMENTING
		2005/6 £000	2006/7 £000	2007/8 £000	2008/9 £000	2009/10 £000	
9	Review of public conveniences provision	-100	-100	-100	-100	-100	This option will involve moving to a mobile attended service for all public conveniences but will not involve any closures.
10	Supported workshop	0	-350	-350	-350	-350	Closure of workshop and transfer of staff to links to work
11	Reduction in supplies & services etc budgets	-300	-300	-300	-300	-300	Re-prioritisation of budgets to minimise cuts in front-line services
12	Increase in planning fees budget	-50	-50	-50	-50	-50	Budget re-profiling
13	Review of lease concessions	-20	-20	-20	-20	-20	Review of charges to tenants incl. community / voluntary groups
14	Car parking income	-70	-70	-70	-70	-70	Budget re-profiling
15	Disinfestation income	-20	-20	-20	-20	-20	Budget re-profiling
16	Works in default income	-10	-10	-10	-10	-10	Budget re-profiling
new	Review of section 11/82 costs	-100	-100	-100	-100	-100	All claims should be settled by 31.03.05 so no further budget is expected to be required.
new	Review of leasing costs re: former housing vehicles	-105	-105	-105	-105	-105	Leasing costs of former housing vehicles now transferred to WHG - budget no longer required
new	CCTV/community safety	-100	-100	-100	-100	-100	A reduction in budgetary provision for CCTV/community safety activity due to the availability of NRF funding via the community safety commission (note that NRF funding is expected to cease in March 06).
new	Review of unitary development plan (UDP)	-35	-35	-35	-35	-35	The UDP is inspected once every 3/4 years as such this budget is not fully required in the next financial year but will need to be reinstated in future years.
new	Realignment of housing and regeneration budgets	-15	-15	-15	-15	-15	Re-prioritisation of budgets to minimise cuts in front-line services
	Total Regeneration, Housing & Built Environment	-1,565	-1,985	-1,985	-1,985	-1,985	

SAVING / INCOME NO	SAVINGS / INCOME GENERATION	ANNUAL NET COST					DETAILS OF SAVING / INCOME GENERATION / RISKS IN IMPLEMENTING
		2005/6 £000	2006/7 £000	2007/8 £000	2008/9 £000	2009/10 £000	
	LIFELONG LEARNING AND COMMUNITY						
18	Catering - savings due to anticipated increased take up in school meals	-10	-27	-46	-63	-80	The saving will be generated through capital investment in dining facilities at secondary schools that will generate additional income. A capital investment proposal has been completed for £310k in 2005/6 and for further amounts in subsequent years. The investment is required to modernise outdated facilities at secondary schools.
new	Illuminations - increase in income	-10	-10	-10	-10	-10	Increase in income target
new	Sports centres fees and charges	-45	-45	-45	-45	-45	Increase in fees and charges by a further 2.4% above the
new	Increase in vacancy managemnt	-43	-43	-43	-43	-43	Increase in vacancy management from 1.5% to 2%
	Total Lifelong Learning & Community	-108	-125	-144	-161	-178	
	SOCIAL CARE AND SUPPORTED HOUSING						
20	Savings resulting from reduction in number of looked after children	-690	-690	-690	-690	-690	Saving flowing from increased investment in family support - reduction in number of new admissions to care - based on 10 children coming out of care. Impossible for vulnerable children to use Walsall's services; unable to provide safe and secure placements which meet care standards for children; reduced ability to achieve targets and star rating which reduces the attainability of excellent status by 2008; unable to allocate places for vulnerable children which has negative effect on safety & security.

SAVING / INCOME NO	SAVINGS / INCOME GENERATION	ANNUAL NET COST					DETAILS OF SAVING / INCOME GENERATION / RISKS IN IMPLEMENTING
		2005/6 £000	2006/7 £000	2007/8 £000	2008/9 £000	2009/10 £000	
21	Workforce management	-650	-650	-650	-650	-650	Reduction in use of and unit cost of agency staff. Reduced ability to achieve targets and star rating which reduces the attainability of excellent status by 2008. Number of agency staff reduced leading to savings in agency staff in addition to cost saving of £100k.
22	Reduction in use of agency staff	-100	-100	-100	-100	-100	Departmental savings relating to agency staff. This is a key part of the councils recruitment and retention policy – the reduction in the use of agency staff will transform Walsall into an excellent Local Authority by ensuring continuity of service and also help strengthen the local economy by providing employment opportunities. Number of agency staff reduced leading to savings in agency staff included in MTFP
23	Children's residential restructuring	-300	-300	-300	-300	-300	Saving flowing from restructuring within children's residential services costing £337k - this is predicted to reduce use of agency staff by £300k in 05/6. Risks = Impossible for vulnerable children to use Walsall's services; unable to provide safe and secure placements which meet care standards for children; reduced ability to achieve targets and star rating which reduces the attainability of excellent status by 2008; unable to allocate places for vulnerable children which has negative effect on safety & security. Restructure delayed due to negotiations with union, target optimistic given need to implement care standards

SAVING / INCOME NO	SAVINGS / INCOME GENERATION	ANNUAL NET COST					DETAILS OF SAVING / INCOME GENERATION / RISKS IN IMPLEMENTING
		2005/6 £000	2006/7 £000	2007/8 £000	2008/9 £000	2009/10 £000	
24	Ongoing savings in residential care placements	-827	-827	-827	-827	-827	Ongoing saving identified in 03/4; due to demand not being as high as predicted when growth was identified. Risk that demand increases over and above that which was budgeted for which may have a negative effect on security of vulnerable adults and reduced ability to achieve targets and star rating which reduces the attainability of excellent status by 2008.
25	Additional savings on reducing numbers of looked after children (LAC).	-550	-550	-550	-550	-550	Additional savings identified to bring LAC back in house from external residential placements - equates to an additional 5 children by end of 05/6. Impossible for vulnerable children to use Walsall's services; unable to provide safe and secure placements which meet care standards for children; reduced ability to achieve targets and star rating which reduces the attainability of excellent status by 2008; unable to allocate places for vulnerable children which has negative effect on safety & security
26	Increased levels of vacancy management	-418	-418	-418	-418	-418	Increasing vacancy mgt discount to 3.9% - excludes any discount for residential care. Reduced ability to achieve targets and star rating which reduces the attainability of excellent status by 2008. Needs to be very carefully managed by service to ensure no negative effect on service provision or star rating; there will be delays in filling posts which will affect assessment process - currently an outlier (1 blob) in this - vacancy mgt will slow recovery; also may increase waiting lists
Total Social Care and Supported Housing		-3,535	-3,535	-3,535	-3,535	-3,535	

SAVING / INCOME NO	SAVINGS / INCOME GENERATION	ANNUAL NET COST					DETAILS OF SAVING / INCOME GENERATION / RISKS IN IMPLEMENTING
		2005/6 £000	2006/7 £000	2007/8 £000	2008/9 £000	2009/10 £000	
	FINANCE, LAW AND PERFORMANCE						
28	Additional DWP funding in respect of verification framework	-398	-358	-322	-290	-261	Additional income to be received from the DWP
new	Additional vacancy management - revenues & benefits	-27	-27	-27	-27	-27	Savings arising from additional vacancy management
new	Additional vacancy management - finance	-27	-27	-27	-27	-27	Savings arising from additional vacancy management
new	Supplies and services cost reductions - legal / internal audit	-5	-5	-5	-5	-5	Savings arising from a review of supplies and services budget - 50% legal, 50% internal audit
	Total Finance, Law & Performance	-457	-417	-381	-349	-320	
	CENTRAL ITEMS						
29	Efficiency savings arising from proactive treasury management	-217	-217	-217	-217	-217	
new	Non-social care and supported housing temporary agency contracts	-100	-100	-100	-100	-100	Savings from the procurement of new contracts.
	TOTAL CENTRAL ITEMS	-317	-317	-317	-317	-317	
	TOTAL ALL DIRECTORATES	-6,237	-6,569	-6,552	-6,537	-6,525	

1. DRAFT COUNCIL TAX EXCLUDING PRECEPTS (WALSALL MBC ONLY)**A. LEVELS FOR PROPERTIES WITH TWO OR MORE RESIDENTS (68% of Properties)**

BAND	WEIGHT	2004/5 C.TAX	2005/6 C.TAX	ANNUAL CHANGE	ANNUAL INCREASE
		£	£	£	%
A	6/9	742.44	771.29	28.85	3.89%
B	7/9	866.18	899.84	33.66	3.89%
C	8/9	989.92	1,028.39	38.47	3.89%
D	9/9	1,113.66	1,156.94	43.28	3.89%
E	11/9	1,361.14	1,414.04	52.90	3.89%
F	13/9	1,608.61	1,671.13	62.52	3.89%
G	15/9	1,856.09	1,928.23	72.14	3.89%
H	18/9	2,227.31	2,313.88	86.57	3.89%

2. DRAFT OVERALL COUNCIL TAX INCLUSIVE OF PRECEPTS**A. DRAFT LEVELS FOR PROPERTIES WITH TWO OR MORE RESIDENTS (68% of Properties)**

BAND	WEIGHT	2004/5 TOTAL C.TAX	2005/6 WMBC C.TAX	FINAL STILL T.B.A.		OVERALL (INC PRECEPTS)		
				2005/6 FIRE PRECEPT	2005/6 POLICE PRECEPT	2005/6 TOTAL C.TAX	ANNUAL C.TAX INCREASE	ANNUAL C.TAX INCREASE
		£	£	£	£	£	£	%
A	6/9	822.04	771.29	27.47	55.79	854.56	32.52	3.96%
B	7/9	959.05	899.84	32.05	65.08	996.97	37.92	3.96%
C	8/9	1,096.06	1,028.39	36.63	74.38	1,139.40	43.34	3.96%
D	9/9	1,233.06	1,156.94	41.21	83.68	1,281.83	48.77	3.96%
E	11/9	1,507.08	1,414.04	50.36	102.27	1,566.67	59.59	3.96%
F	13/9	1,781.08	1,671.13	59.52	120.87	1,851.52	70.44	3.96%
G	15/9	2,055.09	1,928.23	68.68	139.47	2,136.39	81.30	3.96%
H	18/9	2,466.12	2,313.88	82.41	167.36	2,563.65	97.53	3.96%

B. DRAFT LEVELS FOR PROPERTIES WITH ONE RESIDENT (25% DISCOUNT) (32% of Properties)

BAND	WEIGHT	2004/5 TOTAL C.TAX	2005/6 WMBC C.TAX	2005/6 FIRE PRECEPT	2005/6 POLICE PRECEPT	2005/6 TOTAL C.TAX	ANNUAL C.TAX INCREASE	ANNUAL C.TAX INCREASE
		£		£	£	£	£	%
A	6/9	616.53	578.47	20.60	41.84	640.91	24.38	3.96%
B	7/9	719.29	674.88	24.04	48.81	747.73	28.44	3.96%
C	8/9	822.04	771.29	27.47	55.79	854.55	32.51	3.96%
D	9/9	924.79	867.70	30.91	62.76	961.37	36.58	3.96%
E	11/9	1,130.30	1,060.53	37.77	76.71	1,175.01	44.71	3.96%
F	13/9	1,335.82	1,253.35	44.64	90.65	1,388.64	52.82	3.96%
G	15/9	1,541.32	1,446.17	51.51	104.60	1,602.28	60.96	3.96%
H	18/9	1,849.59	1,735.41	61.81	125.52	1,922.74	73.15	3.96%

3. SPREAD OF PROPERTIES

The proportion of properties within Walsall MBC within each Council Tax band is as follows:

BAND	A	B	C	D	E	F	G	H	TOTAL
PROPERTIES (No)	49,428	24,036	16,279	9,342	5,221	2,199	709	54	107,268
PROPERTIES (%)	46.08	22.41	15.18	8.71	4.87	2.05	0.66	0.05	100
CUMULATIVE TOTALS	68.49%								
	83.66%								
	92.37%								

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

BAND	A	B	C	D	E	F	G	H
£	0.55	0.65	0.74	0.83	1.01	1.20	1.38	1.66

**COMPARISON OF CURRENT 2005-2006 FORECAST BUDGET
WITH FINAL FORMULA SPENDING SHARE (FSS)**

SERVICE	FORECAST BEFORE INVESTMENT	Capital Charges	2005-06 BASIC FORECAST	IDENTIFIED SAVINGS	INVESTMENT CHOICES	2005-06 AMENDED FORECAST	2005-06 FINAL FSS	DIFFERENCE BUDGET 2005/06 COMPARED TO FSS 2005/06		CHANGE FSS 2005/06 COMPARED TO O.D.P.M. ADJUSTED FSS 2004-05	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	%	£000s	%
EDUCATION											
Education Budget	189,307	-31,588	157,719			157,719	146,745				
LEA			0			0	13,412				
LEA			0			0	3,387				
Youth & Community			0			0					
Property Management	898		898			898					
Added Sums	392		392			392					
Corporate Borrowing	97		97			97					
Youth Service	2,838		2,838	-7	575	3,406					
Adult & Community Learning	921	-112	809	-3		806					
Parent Partnership	98		98			98					
Music Support Services	402		402	-4		398					
Schools Library Support Services	203		203			203					
Schools Museum	10		10			10					
Apportionment of Management Support	41		41			41					
			0			0					
			0			0					
TOTAL EDUCATION	195,205	-31,700	163,506	-14	575	164,067	163,544	523	0.3%	11,031	7.2%
PERSONAL SOCIAL SERVICES											
TOTAL SOCIAL CARE	85,754	-1,435	84,319	-3,535	2,908	83,692	78,817	4,874	6.2%	4,830	6.5%
HIGHWAYS MAINTENANCE	10,513	0	10,513			10,513	11,271	-758	-6.7%	-93	-0.8%
ENVIRONMENTAL PROTECTIVE & CULTURAL SERVICES											
Community Services (non Education)	18,899	-5,017	13,883	-84	158	13,956					
Sports & Leisure Management			0			0					
Plant Maintenance, Curatorial & Caretaking	-13		-13			-13					
Cleaning	364		364			364					
Catering	55		55	-10		46					
School Crossings Patrols	513		513			513					
Corporate Policy / ICT / HR	3,571	-9	3,562	-255	475	3,782					
Finanace / Legal / Performance	17,024	-2	17,022	-457	408	16,973					
Supported Housing	1,042	-146	897			897					
Regeneration, Housing and Built Environment	25,205	-3,999	21,206	-1,565	970	20,611					
Markets			0			0					
sub- total	66,661	-9,172	57,489	-2,371	2,011	57,128					
LEVIES											
Passenger Transport	12,247		12,247			12,247					
Environment Agency	79		79			79					
TOTAL E.P.C.S	78,987	-9,172	69,815	-2,371	2,011	69,454	58,255	11,199	19.2%	1,179	2.1%
CAPITAL FINANCING	14,211		14,211	-217		13,994	17,910	-3,916	-21.9%	2,948	19.7%
TOTAL BEFORE USE OF DSO PROFITS AND BALANCES	384,669	-42,306	342,362	-6,137	5,494	341,719	329,798	11,921	3.6%	19,895	6.4%
Financial Prudence Measures											
Non -service Specific/Central Items	1,392		1,392	-100	1,262	2,554					
Use of Reserves	-1,803		-1,803			-1,803					
NET BUDGET REQUIREMENT	384,258	-42,306	341,952	-6,237	6,756	342,470	329,798				

**CFO REPORT ON ROBUSTNESS OF THE BUDGET & ADEQUACY OF RESERVES
– ADDITIONAL 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 CFO is required to formally report to members on the robustness of the budget and the adequacy of reserves. In signing off this overall revenue budget report, the signature of the Executive Director constitutes the formal declaration required under the Act that these conditions have been fully met. This statement is also signed.

Adequacy of reserves

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

- Challenging the budget at various stages of construction;
- An in-depth view of the financial risk assessments;
- The use of professional experience and best professional judgement;
- The use of appropriate professional, technical guidance and local frameworks.

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

It is prudent for councils to maintain an adequate working balance. A risk assessment approach is used to determine the required level of balances, reserves and provisions. Our medium term financial strategy aims to incrementally increase the opening working balance from £4.5 m in 2005/6 until it reaches £5m. The draft budget achieves those aims for the financial years 2005/6 and onwards. The MTFS also sets out the authority's financial framework, including that balances should not be considered to be or used as a budget and any in-year calls on the working balance should be replenished. Services should also not approve unbudgeted expenditure on the assumption that it will be met from the working balance. A central contingency of just over £300k for 2005/6 (ie: 0.1% of the previous year's net revenue budget) supports prudent financial management. Experience shows that this should be adequate. A list of reserves is included in **Appendix 10**.

The CFO has been involved throughout the entire budget process, including devising the medium term financial strategy, input to the drafting of the budget guidelines, the ongoing financial monitoring and reporting process, evaluation of investments and savings, engagement with members of the executive and scrutiny, advising colleagues, the strategic choices activities, the public consultation process, challenge and evaluation activities, and the scrutiny and approval of various reports. The following sections signpost to particular activities and documents.

Process – a robust budget process has been used within the overall context of the MTFs, using detailed budget guidelines and a detailed timetable. Detailed guidelines and the overall budget framework were approved by Cabinet.

Timetable – the process commenced in July 2004 and the draft budget was complete in November to coincide with the draft Government financial settlement. This enabled budget conferences to take place with cabinet on 30 November 2004 and resources scrutiny on 6 & 9 December 2004. Formal scrutiny took place in January and February by all five panels. Public consultation has been ongoing since November 2004. The final budget is due to be set at Council on 7 March, well within the statutory deadline.

Member involvement – both informal and formal member involvement has been extensive, particularly through the cabinet portfolio holder for finance and performance, individual portfolio holders in conjunction with executive directors, decision conference with the cabinet on 30 November 2004 and with the resources scrutiny panel on 6 & 9 December. Cabinet have considered the budget reports on 19.1.05. Scrutiny panels have been consulted and had opportunities to make recommendations and comments. Presentations have also been made to political groups, including budget briefings with the Labour and Liberal Democrat groups.

Consultation – internally and externally, has been extensive as outlined in this report, in Appendix 2 and in a separate report on tonight's agenda.

Scrutiny – all five panels have had an opportunity to scrutinise the draft budget, the outcomes of which are reported separately on tonight's agenda. Resources scrutiny also had a dedicated decision conference on the draft budget.

Challenge – there are various points of challenge at various stages of the budget, including throughout the strategic choices exercise, meetings of various directorate management teams, EMT meetings, decision conferences and the scrutiny process itself.

Budget monitoring – reports will continue to be submitted to cabinet, resources scrutiny panel, EMT and management teams across the council throughout the year. The council's IPM process also requires review of financial performance for individual managers, complementary to the formal accountability process.

Capping – based on the council tax increase outlined in this report, capping is considered to be unlikely. The contingency plan would be to either identify additional savings or to remove some planned investment from the budget to the level of the cap.

Ownership and accountability – the budget has progressed through various filters during its construction including endorsement of management teams within services and EMT itself. Each year "accountability memos" are sent to every manager setting out budget scope and responsibilities, including implementation of investment and savings. Managers are required to sign and return a copy acknowledging their responsibilities. This is formally tracked and reported on throughout the year. The IPM process similarly requires formal assessment of individual budget management responsibilities.

Current financial position – has been reported on consistently throughout the year. The current estimated outturn appears in section 1 of this report. This demonstrates a further full year of financial stability. The balances above the level required by the MTFP (c£4 m) have been utilised for one-off items of expenditure in 2004/5. The implementation of the 2003/4 budget has informed the production and validation of that for 2004/5 and 2005/6.

Key assumptions

The pay and prices used in the budget are derived from current intelligence, are considered appropriate and compare with those used by other councils. Demand changes have been identified and are reflected in budget increases identified in the appendices. Fees and charges have been reviewed and changes are reflected in the overall budget. The budget assumes full passporting of the education schools increase. The capital receipts to be used for the draft capital programme are based on professional estimates both of timing and value and are considered adequate to fund the programme. The council has established performance monitoring arrangements for all key partnerships (e.g.: education, street lighting PFI and internal audit).

Financial risks – the council continues to use an innovative risk assessment approach both when setting the budget and in validating estimated outturns. This continues for the 2004/5 outturn and 2005/6 plus budget. Details are set out in this report and Appendix 1. The working balance is considered adequate to cover all but the most unusual and serious combination of events.

The budget in context

The budget is a reflection of the vision, aims, objectives and policies of the council, and has been constructed with that in mind. The budget has been constructed in accordance with the principles and direction of the MTFP. Total additional investment (growth) this year is £6.756 m. The prudential code has been used to an appropriate degree to finance investment in roads, and is planned to be used further to finance a major repairs programme in non-educational establishments, to provide a creative solution to remedy the backlog of repairs and maintenance issues in primary schools, aligned to a strategic approach to the reorganisation of primary school infrastructure in the light of surplus capacity, to enable more effective asset management and realise receipts, and as match funding for a significant external grant in respect of Daw End mine.

All savings have been appraised to ensure accuracy of costings and deliverability. Individual officers are identified as accountable for their implementation. None of the savings are considered to be detrimental to PI outcomes. The council is working to improve performance outcomes on a range of activities which are monitored through the *Beacon Index* and within services across the council. Service plans currently being finalised are linking budget provision with corporate and service priorities. Budget provision has been identified for the pledges outlined in the council's vision document, as set out at Appendix 3.

Reserves

In previous years (during the 1990s) the council used significant reserves in order to support a stretched and increasingly challenging annual revenue budget, including the funding of ongoing items of expenditure. This has not been the case in the last few years. General reserves are at an appropriate level, determined in accordance with the MTFS and my professional advice. Any reserves above the level required by the MTFS are used on one off items of expenditure. For 2005/6 reserves of £1.5 million are being used in this way arising from a PTE refund and the 2004/5 estimated underspend. No reserves are being used to fund recurring expenditure. The risk assessment described elsewhere in this report has informed the established level of general and earmarked reserves. CIPFA guidance (LAAP 55) provides two methods of determining the minimum level of reserves. Walsall MBC uses the method based on risk assessment. The alternative approach, which does not use risk assessment, would require a much higher level of general reserves. The central contingency for 2005/6 represents an increase over previous years, and is adequate.

Summary

Overall, the budget is considered to have been constructed within a professional policy-led medium term strategic framework, using appropriate assumptions, adequate assessment of risk, and linking investment and spending to key priorities.



Carole Evans
Statutory CFO
1 February 2005

SUMMARY OF DRAFT CORPORATE REVENUE FORECAST 2005/6 INCLUDING INVESTMENT
EARMARKED RESERVES

	OPENING BALANCE @ 01.04.04 £	ANTICIPATED MOVEMENTS 2004/5 £	ANTICIPATED MOVEMENTS 2005/6 £	ESTIMATED CLOSING BALANCE @ 31.03.06 £
1) Rent Office Former Employee Pension Costs <i>Funds received by former DETR (now ODPM). Historically, the rent officer service was funded via grant through local authorities but is now funded direct. When the transition took place, DETR provided these funds to cover the future years added sums costs of retired rent officer employees that remained with the council after the funding arrangements changed</i>	(49,371)	4,275	4,500	(40,596)
2) Transformational change / path to excellence <i>This reserve was created in 2002/3 to support the establishment of a performance fund to drive / support recovery</i>	(622,000)	622,000		0
3) Approved carry forward of underspends <i>This increasingly common best practice approach whereby council services which can demonstrate that underspends are as a result of sound budget management rather than 'windfalls' and/or where cashflows mean that costs will fall into a later year by default are allowed to carry a % of this forward to utilise in future years against targeted projects that improve service delivery or aid service development. A proportion of some overspends is also carried forward under this scheme.</i>	(2,532,658)	2,203,658	329,000	0
4) Single Status/Job Evaluation <i>This reserve was established to prudently build up funds to cover future costs of the job evaluation process and the resultant impact in relation to single status.</i>	(6,789,555)	2,161,000	0	(4,628,555)
5) Environmental Warranties <i>Prudent provision in respect of environmental warranties to cover potential costs arising following the LSVT transfer.</i>	0	(400,000)	0	(400,000)
6) Right to Buy Income <i>Under the terms of the LSVT, WHG reimburse the council for every council house sale. The actual rate of sales of former council houses is more rapid than the original profile, although the total sales are currently expected to be the same over time. The balance will therefore remain in the reserve, to be used to smooth the actual compared with budgeted profiling as this income tails off. This was approved by cabinet in approving the LSVT cost neutrality model.</i>	(3,108,605)	1,317,000	750,000	(1,041,605)
7) Improving the working environment <i>This reserve was created to enhance the standard of council occupied buildings on a needs assessed basis and improve the worknig environment within these premises.</i>	(500,000)	460,000	40,000	0
8) Ready Steady Summer (Summer Reloaded) <i>This reserve was established to support a number of community based youth initiatives in the summer of 2004.</i>	(250,000)	200,000	50,000	0
9) Community engagement / LNP's <i>This reserve was established to provide some pump priming support to LNP's in implementing their Local Plans which are due to be approved by Council in March 2005.</i>	(250,000)	0	250,000	0
10) Pensions reserve <i>This is a ringfenced reserve required in order to comply with accounting regulations concerning the local government pensions scheme (LGPS). It reflects the net liability Walsall would have to contribute to the LGPS if <u>all</u> employees in the scheme were to retire at the financial year end. It is not a reflection of monies actually owed to the pension scheme in real terms. Future years liabilities cannot be assessed as these are dependant upon future movements in financial markets.</i>	153,931,000			153,931,000
TOTAL	139,828,811	6,567,933	1,423,500	147,820,244

Year end balances are as currently estimated, the final position may vary from that outlined above.

SUMMARY OF DRAFT CORPORATE REVENUE FORECAST 2006/7 INCLUDING INVESTMENT

SERVICE / LEVY ETC.	2005/6 TOTAL BASIC FORECAST £	ADD: INFLATIONARY PRESSURES £	PAY AWARD £	OTHER CHANGES £	TOTAL BASIC FORECAST 2006/7 £	IDENTIFIED SAVINGS £	ADD INVESTMENT BIDS £	FORECAST INCL INVESTMENT BIDS £
Corporate services	3,571,239	157,320	268,349	190,254	4,187,162	-190,000	536,000	4,533,162
Finance, law & performance	17,023,973	322,235	411,078	725,975	18,483,261	-417,000	1,556,130	19,622,391
Social care and supported housing	86,795,744	1,993,880	1,493,742	283,436	90,566,802	-3,535,000	4,311,000	91,342,802
Lifelong learning & community	214,971,702	7,034,320	639,666	59,361	222,705,049	-125,063	803,000	223,382,986
Regeneration, housing and built environment	35,717,414	591,086	747,558	678,179	37,734,237	-1,985,412	1,750,000	37,498,825
SUB TOTAL SERVICES	358,080,072	10,098,841	3,560,393	1,937,205	373,676,511	-6,252,475	8,956,130	376,380,166
Capital Financing	14,307,704	0	0	2,519,566	16,827,270	-217,000	0	16,610,270
LESS: Capital Charges	-42,306,481	0	0	0	-42,306,481	0	0	-42,306,481
Non-service specific prudence/central items	1,347,209	0	0	-1,016,351	330,858	-100,000	3,898,863	4,129,721
SUB TOTAL CENTRAL ITEMS	-26,651,568	0	0	1,503,215	-25,148,353	-317,000	3,898,863	-21,566,490
Levies:								
PTE (% increase to be advised)	11,679,031	291,976	0	568,000	12,539,007	0	0	12,539,007
Environment Agency	78,936	3,552	0	0	82,488	0	0	82,488
NET REVENUE EXPENDITURE	343,186,471	10,394,369	3,560,393	4,008,420	361,149,653	-6,569,475	12,854,993	367,435,171
(Use of)/contribution to general reserves	-285,000	0	0	785,000	500,000	0	0	500,000
(Use of)/contribution to general reserves	-950,000	0	0	950,000	0	0	0	0
Less Gershon Impact and PTCF delivery of savings *	0	0	0	0	0	-4,521,621	0	-4,521,621
GRAND TOTAL BUDGET REQUIREMENT	341,951,471	10,394,369	3,560,393	5,743,420	361,649,653	-11,091,096	12,854,993	363,413,550

*Note: The Gershon efficiency review will deliver 2.5% efficiency savings, 50% of which will be reinvested in services, 50% of which are cashable. The PTCF partnership will deliver efficiency savings relating to in-scope services.

SUMMARY OF DRAFT CORPORATE REVENUE FORECAST 2007/8 INCLUDING INVESTMENT

SERVICE / LEVY ETC.	2006/7 TOTAL BASIC FORECAST £	ADD: INFLATIONARY PRESSURES £	PAY AWARD £	OTHER CHANGES £	TOTAL BASIC FORECAST 2007/8 £	IDENTIFIED SAVINGS £	ADD INVESTMENT BIDS £	FORECAST INCL INVESTMENT BIDS £
Corporate services	4,187,162	132,398	272,523	170,204	4,762,287	-190,000	526,000	5,098,287
Finance, law & performance	18,483,261	318,205	473,399	605,664	19,880,529	-381,000	1,050,945	20,550,474
Social care and supported housing	90,566,802	2,043,536	1,572,807	101,655	94,284,800	-3,535,000	4,358,000	95,107,800
Lifelong learning & community	222,705,049	7,376,449	669,535	69,260	230,820,293	-144,101	1,417,000	232,093,192
Regeneration, housing and built environment	37,734,237	617,563	790,018	275,039	39,416,857	-1,985,412	2,200,000	39,631,445
SUB TOTAL SERVICES	373,676,511	10,488,151	3,778,282	1,221,822	389,164,766	-6,235,513	9,551,945	392,481,198
Capital Financing	16,827,270	0	0	2,433,792	19,261,062	-217,000	0	19,044,062
LESS: Capital Charges	-42,306,481	0	0	0	-42,306,481	0	0	-42,306,481
Non-service specific prudence/central items	330,858	0	0	-63,264	267,594	-100,000	3,217,615	3,385,209
SUB TOTAL CENTRAL ITEMS	-25,148,353	0	0	2,370,528	-22,777,825	-317,000	3,217,615	-19,877,210
Levies:								
PTE (% increase to be advised)	12,539,007	313,475	0	0	12,852,482	0	0	12,852,482
Environment Agency	82,488	0	0	3,712	86,200	0	0	86,200
NET REVENUE EXPENDITURE	361,149,653	10,801,626	3,778,282	3,596,062	379,325,623	-6,552,513	12,769,560	385,542,670
(Use of)/contribution to general reserves	500,000	0	0	-500,000	0	0	0	0
(Use of)/contribution to general reserves	0	0	0	0	0	0	0	0
Less Gershon Impact and PTCF delivery of savings *	0	0	0	0	0	-4,742,570	0	-4,742,570
GRAND TOTAL BUDGET REQUIREMENT	361,649,653	10,801,626	3,778,282	3,096,062	379,325,623	-11,295,083	12,769,560	380,800,100

*Note: The Gershon efficiency review will deliver 2.5% efficiency savings, 50% of which will be reinvested in services, 50% of which are cashable. The PTCF partnership will deliver efficiency savings relating to in-scope services.

SUMMARY OF DRAFT CORPORATE REVENUE FORECAST 2008/9 INCLUDING INVESTMENT

SERVICE / LEVY ETC.	#REF! TOTAL BASIC FORECAST £	ADD: INFLATIONARY PRESSURES £	PAY AWARD £	OTHER CHANGES £	TOTAL BASIC FORECAST #REF! £	IDENTIFIED SAVINGS £	ADD INVESTMENT BIDS £	FORECAST INCL INVESTMENT BIDS £
Corporate services	4,762,287	129,959	321,770	98,950	5,312,966	-190,000	526,000	5,648,966
Finance, law & performance	19,880,529	328,254	510,353	385,945	21,105,081	-349,000	1,050,945	21,807,026
Social care and supported housing	94,284,800	2,115,707	1,271,197	853,751	98,525,455	-3,535,000	4,362,000	99,352,455
Lifelong learning & community	230,820,293	7,686,002	736,639	-30,090	239,212,844	-161,497	1,413,000	240,464,347
Regeneration, housing and built environment	39,416,857	151,961	807,889	125,951	40,502,658	-1,985,412	2,655,000	41,172,246
SUB TOTAL SERVICES	389,164,766	10,411,883	3,647,848	1,434,507	404,659,004	-6,220,909	10,006,945	408,445,040
Capital Financing	19,261,062	0	0	1,992,912	21,253,974	-217,000	0	21,036,974
LESS: Capital Charges	-42,306,481	0	0	0	-42,306,481	0	0	-42,306,481
Non-service specific prudence/central items	267,594	0	0	483,423	751,017	-100,000	3,283,334	3,934,351
SUB TOTAL CENTRAL ITEMS	-22,777,825	0	0	2,476,335	-20,301,490	-317,000	3,283,334	-17,335,156
Levies:								
PTE (% increase to be advised)	12,852,482	0	0	1,271,000	14,123,482	0	0	14,123,482
Environment Agency	86,200	0	0	3,879	90,079	0	0	90,079
NET REVENUE EXPENDITURE	379,325,623	10,411,883	3,647,848	5,185,721	398,571,075	-6,537,909	13,290,279	405,323,445
(Use of)/contribution to general reserves	0	0	0	0	0	0	0	0
(Use of)/contribution to general reserves	0	0	0	0	0	0	0	0
Less Gershon Impact and PTCF delivery of savings *	0	0	0	0	0	-4,983,138	0	-4,983,138
GRAND TOTAL BUDGET REQUIREMENT	379,325,623	10,411,883	3,647,848	5,185,721	398,571,075	-11,521,047	13,290,279	400,340,307

*Note: The Gershon efficiency review will deliver 2.5% efficiency savings, 50% of which will be reinvested in services, 50% of which are cashable. The PTCF partnership will deliver efficiency savings relating to in-scope services.

SUMMARY OF DRAFT CORPORATE REVENUE FORECAST 2009/10 INCLUDING INVESTMENT

SERVICE / LEVY ETC.	#REF! TOTAL BASIC FORECAST £	ADD: INFLATIONARY PRESSURES £	PAY AWARD £	OTHER CHANGES £	TOTAL BASIC FORECAST 2009/10 £	IDENTIFIED SAVINGS £	ADD INVESTMENT BIDS £	FORECAST INCL INVESTMENT BIDS £
Corporate services	5,312,966	132,423	330,160	94,854	5,870,403	-190,000	526,000	6,206,403
Finance, law & performance	21,105,081	337,086	520,097	333,534	22,295,798	-320,000	1,050,945	23,026,743
Social care and supported housing	98,525,455	2,189,293	1,311,004	49,886	102,075,638	-3,535,000	4,367,000	102,907,638
Lifelong learning & community	239,212,844	8,060,487	759,185	-22,557	248,009,959	-178,369	1,415,000	249,246,590
Regeneration, housing and built environment	40,502,658	584,542	833,364	51,373	41,971,937	-1,985,412	3,110,000	43,096,525
SUB TOTAL SERVICES	404,659,004	11,303,831	3,753,810	507,090	420,223,735	-6,208,781	10,468,945	424,483,899
Capital Financing	21,253,974	0	0	1,997,431	23,251,405	-217,000	0	23,034,405
LESS: Capital Charges	-42,306,481	0	0	0	-42,306,481	0	0	-42,306,481
Non-service specific prudence/central items	751,017	0	0	783,297	1,534,314	-100,000	3,351,024	4,785,338
SUB TOTAL CENTRAL ITEMS	-20,301,490	0	0	2,780,728	-17,520,762	-317,000	3,351,024	-14,486,738
Levies:								
PTE (% increase to be advised)	14,123,482	0	0	820,350	14,943,832	0	0	14,943,832
Environment Agency	90,079	0	0	4,054	94,133	0	0	94,133
NET REVENUE EXPENDITURE	398,571,075	11,303,831	3,753,810	4,112,222	417,740,938	-6,525,781	13,819,969	425,035,126
(Use of)/contribution to general reserves	0	0	0	0	0	0	0	0
(Use of)/contribution to general reserves	0	0	0	0	0	0	0	0
Less Gershon Impact and PTCF delivery of savings *	0	0	0	0	0	-5,222,762	0	-5,222,762
GRAND TOTAL BUDGET REQUIREMENT	398,571,075	11,303,831	3,753,810	4,112,222	417,740,938	-11,748,543	13,819,969	419,812,364

*Note: The Gershon efficiency review will deliver 2.5% efficiency savings, 50% of which will be reinvested in services, 50% of which are cashable. The PTCF partnership will deliver efficiency savings relating to in-scope services.