

Cabinet – 4 February 2009

Corporate Revenue and Capital Programme Budget Plan 2008/09 – 2012/13

Portfolio: Councillor A. Griffiths – Finance & Personnel

Service: Corporate Finance

Wards: All

Key decision: No

Forward plan: Yes

1. Summary of report

1.1 This report presents the draft revenue and capital programme budget plan for 2009/10 to 2011/12 following consideration of the draft proposals by all five scrutiny panels and public consultation. This report and other finance reports on tonight's agenda are to enable formulation of budget recommendations to Council on 23 February 2009.

2. Recommendations

2.1 To note the corporate budget plan set out in the attached report and its appendices.

2.2 To note and endorse that:

a) 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, so these will be tabled at the Council meeting of 23 February. Current estimates have been used within this report based on informal communication from each precepting authority.

b) The Walsall Council draft net budget requirement for 2009/10 is **£237.194m**.

2.3 To note and endorse the recommendations of the Chief Finance Officer (CFO) in respect of the robustness of the estimates made for the purposes of the budget calculations and the adequacy of reserves as set out in **Annex 9**.

2.5 To note and endorse the revenue budget and council tax. (**Deliberative recommendation - detailed draft resolution will be tabled at the meeting**).

3. Background Information

3.1 This report builds on previous cabinet reports including the draft corporate revenue budget and capital programme, council tax base and consultation reports.

4. Resource considerations

- 4.1 **Financial:** A comprehensive statement on current and recommended reserves is included in the budget report. We prudently maintain an appropriate level of general reserves and use a risk assessment to determine the exact level. The opening balance @ 01.04.09 will be £6.99m. The opportunity cost of maintaining this level of reserves is considered by the CFO who is satisfied that the benefits accrued in maintaining these at the recommended level outweigh the potential lost opportunity from investing these reserves in other ways.
- 4.2 **Legal:** Councils must set and maintain a budget sufficient to cover all known expenditure and deal with unknown contingencies. CFOs are required to report to members on the robustness of the estimates used for the purpose of calculating the budget and the adequacy of the proposed reserves. This is provided at **Annex 9** of the budget plan.

5. Citizen impact

- 5.1 The council tax increase arising from this draft budget would need to be within the Government's expected ceiling of 5% to avoid 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.

6. Community safety

- 6.1 The budget provides funding for initiatives to support community safety.

7. Environmental impact

- 7.1 Investment bids for 2009/10 onwards include several targeted at supporting environmental improvements.

8. Performance and risk management issues

- 8.1 **Risk:** The council annually reviews corporate financial planning and budget principles. In November cabinet approved an updated Medium Term Financial Strategy (MTFS). The budget setting process includes a corporate financial risk assessment to determine key risks and their impact on the budget. Services undertake comprehensive risk assessments of their budgets by identifying risk factors, potential changes to service delivery and funding streams. This ensures that adequate corporate budgetary provision is available to cover unforeseen future events. This successful approach is now embedded and is used to inform the level of earmarked and general reserves.
- 8.2 **Annex 11** shows the results of this exercise, however, it is highly unlikely that all these scenarios would arise. Managers are required to deliver services within the available budget. Any known changes in service demand or costs arising from legislative or Government demands are identified and dealt with, within the overall draft revenue budget, as an investment bid. The budgeted opening level of reserves is sufficient to cover the high and medium risk items. Any in-year use of general reserves would require replenishment to ensure the opening level of reserve is as required by the MTFS.

9. Equality implications

9.1 Services have regard to equalities in setting budgets and delivering services.

10. Consultation

- 10.1 The council is statutorily obliged to consult with representatives of non-domestic rate payers before setting the budget. Public consultation is an important part of our community engagement activities; effected since September 2008 through a series of facilitated workshops involving representative samples of different parts of the community. These have been previously reported to the December 2008 cabinet meeting. In addition, consultation with trade union representatives has been undertaken through the Employee Relations Forum (ERF).
- 10.2 **Section** Managers of all levels are responsible for delivering targets and service outputs on time, to standard and within budget. With their teams, they are involved in budget construction, bidding for investment and working up savings options. CMT and cabinet have continuously reviewed the evolving budget. All scrutiny panels received the draft revenue budget and capital programme 2009/10+ in January 2009 and a report is included elsewhere on tonight's agenda detailing the comments and recommendations of each panel. Feedback from the various consultation mechanisms have been used to inform the draft budget proposals.

Background papers

Various financial working papers.

Revenue Support Grant Provisional Settlement – Cabinet 17 December 2008

Budget Setting Process – Consultation – Cabinet 17 December 2008

Draft Corporate Revenue Budget and Capital Programme Report 2009/10 – 2011/12 – Cabinet 14 January 2009

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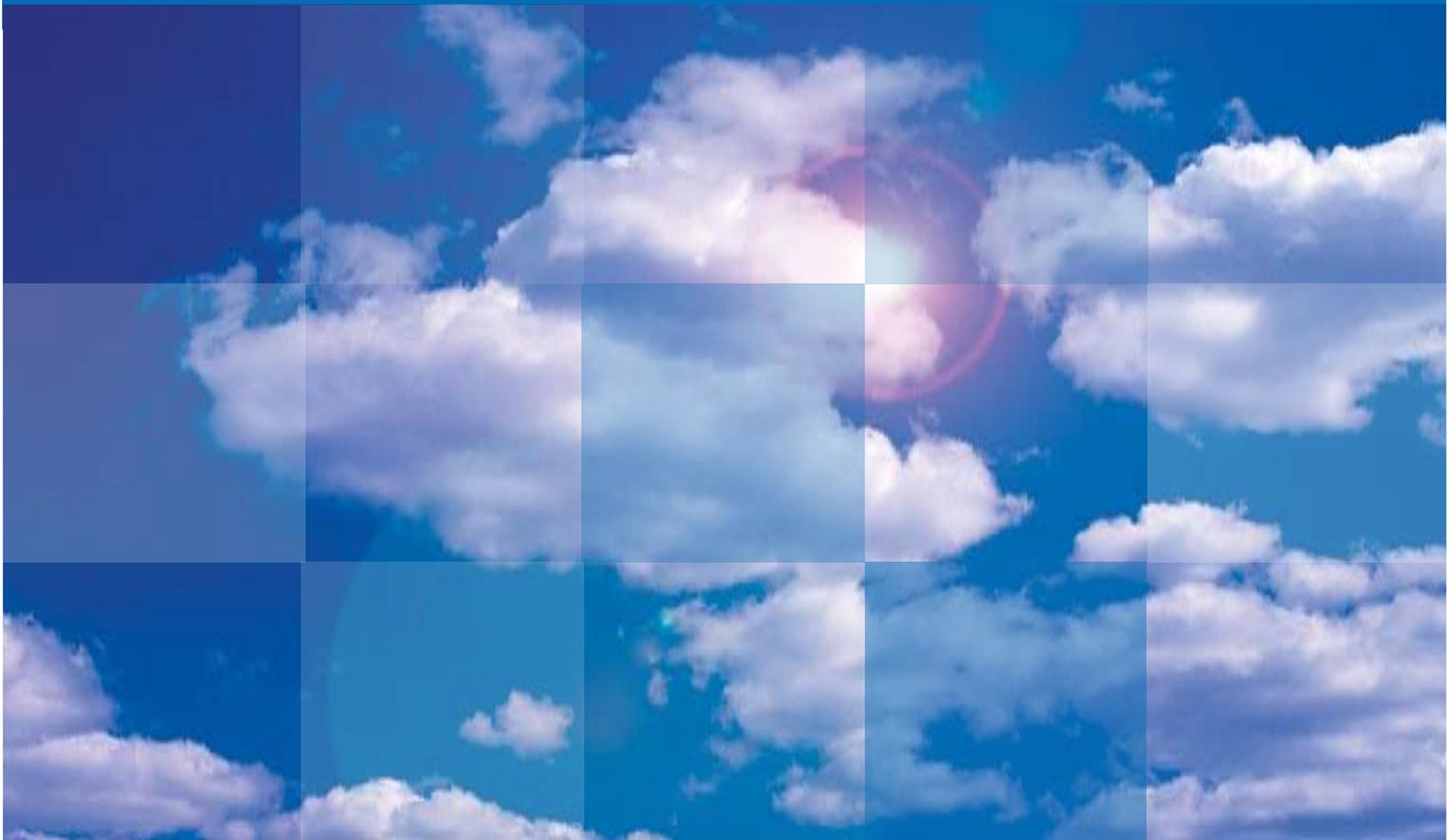
James Walsh – Chief Finance Officer
28 January 2009



Councillor Al Griffiths – Portfolio Holder
28 January 2009

Corporate Budget Plan

2009/10 – 2011/12



February 2009



Walsall Council

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1. Purpose of this document

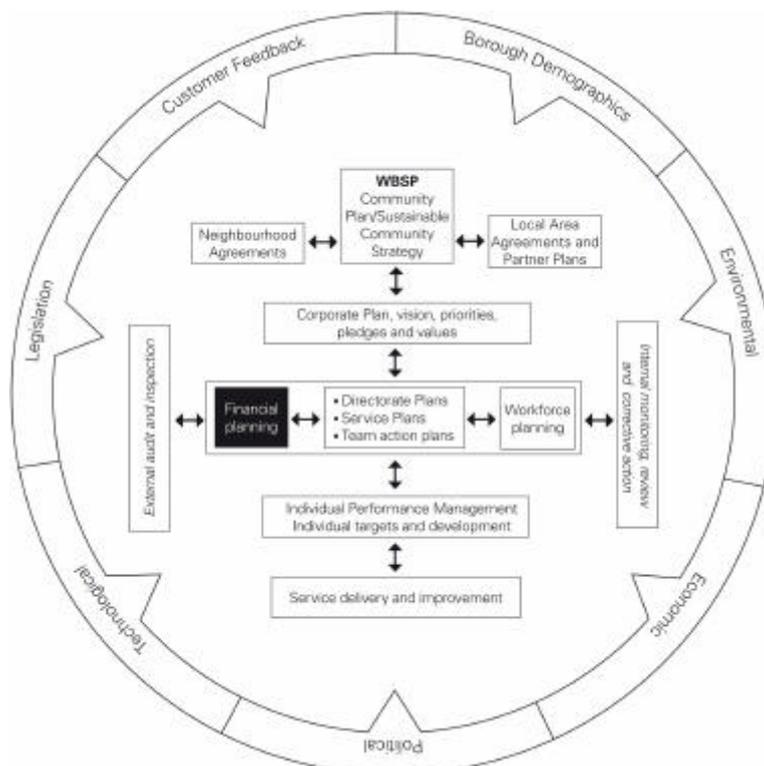
The council’s budget is a financial representation of the organisation’s plans for the forthcoming financial year and beyond. Therefore, the budget is constructed as an integral part of the council’s corporate integrated planning and performance framework (CIPPF). The key drivers in setting the budget each year are the delivery of:

- the sustainable community strategy, in conjunction with our partners
- the council’s vision, aims, objectives, policies and strategies
- the medium term financial strategy

The above plans and strategies are informed by an understanding of the people, nature and demographics of our Borough, captured within a comprehensive document “People & Place Perspectives: A Picture of our Community”. This combines a range of primary data, analysis and stakeholder feedback, and has been used, with other information, to undertake needs analyses to support the design and delivery of our services, through service planning and therefore demonstrated in our budget plans.

The CIPPF diagram shows how services are designed, delivered and performance managed, and shows how financial planning connects to the council’s aims and objectives. This shows how services and activities are regularly measured and monitored to enable effective decision making, helping to ensure the council delivers efficient, customer focussed services that provide real value for money.

Figure 1: The Council’s CIPPF



2. The Council's vision for the Borough

In Context - The Corporate Plan and Sustainable Community Strategy

The Sustainable Community Strategy includes clear targeted plans to be delivered by local partners, including the council, singly and working in partnership. The Sustainable Community Strategy informs and sits at the heart of the plans of the individual partners, including the council.

The Corporate Plan sets out, at a strategic level, the council's commitment to deliver its own contribution to the work of the wider partnership to take forward and implement the Sustainable Community Strategy, and achieve our shared vision for the borough of Walsall. Therefore the Corporate Plan is focussed on the shared vision and on tangible, significant outcomes for the people of our borough, which address the key priorities and concerns for our community). In addition, to ensure that the council as an organisation is fit for purpose and able to deliver its share of the citizen outcomes, the Corporate Plan has a complementary focus on internal priorities, our continuing transformation agenda, focus on meeting customer expectations, and commitment to the effective use of resources.

Delivering our commitment to the vision – the Walsall Outcomes Framework

To deliver our commitment to the shared vision for the borough, set out above, and in full detail in the Sustainable Community Strategy, the council has developed, and adopted as the focus for its performance planning processes a new 'Walsall Outcomes Framework'. This is based around seven citizen (or customer) outcomes, and three internal drivers, outlined below. These provide a clear focus on the key issues, priorities and outcomes for the people of our borough, and also ensure that there is also a focus on our own internal systems and processes. Together with the shared vision, this ten part outcomes framework provides clarity of purpose to our directorates, services, teams and to individuals working for the council, whether in front-line or back office. Building on practice in previous years, our citizen outcomes and internal drivers will be 'made real' by a set of pledges, key actions which the council promises to deliver during 2009/10 to provide clear evidence of our commitment, which will be monitored throughout the year via the Beacon Index.

This framework is reflective of the five outcomes of the Every Child Matters agenda – being healthy, staying safe, enjoying and achieving, making a positive contribution, and achieving economic well-being, and the seven outcomes developed by the Commission for Social Care Inspection for the assessment of adult social care: improved health, improved quality of life, making a positive contribution, economic well-being, freedom from discrimination or harassment, personal dignity and respect, and the exercise of choice and control. However, the council sees our Walsall Outcomes Framework as one which reflects the whole spectrum of our activity, and all our services and functions.

Our seven citizen outcomes are focussed on action to ensure that citizens are:

- Healthy
- Safe and secure
- Aspiring and achieving
- Enjoying a high quality of life – clean, green and mobile
- Active - contributing to their communities
- Financially & materially secure - achieving economic well-being
- Free from discrimination or harassment

As noted above, the framework is underpinned by three internally focussed 'drivers' providing the momentum to deliver the customer outcomes required by the Sustainable Community Strategy. These are:

- effective use of resources
- delivering quality services and meeting customer expectations
- taking forward the transformation agenda

Our Local Compact - working with community and voluntary organisations

At the same time our Community Plan was launched, the Walsall Borough Strategic Partnership (WBSP) also launched a renewed and expanded Local Compact. This is an agreement between local public services including the council, the health service, and others, with the community and voluntary sector, operating within the framework provided by the WBSP. Its aim is to help ensure effective joint working towards our common goals and vision for the borough of Walsall.

The Council's Vision

The council is fully committed to the shared vision for the borough of Walsall that is set out in the Sustainable Community Strategy, developed by the WBSP, based on the shared knowledge of all local partners of the borough, its localities, and of its people, and on the views of our communities expressed through consultation.

Our vision is that Walsall will be a good place to live, work and invest, where:

- people get on well with each other
- growing up is as good as it can be and young people fulfil their potential
- people are our strength and have the skills and attitude required by employers
- people consider the impact of what we do now on future generations
- people feel proud to live in Walsall, having high quality distinctive design of buildings and spaces
- there is a wide range of facilities for people to use and enjoy
- everyone has the chance to live in a home fit for their purpose and for the future
- people can get around easily and safely
- there are more and better jobs for local people
- people support and look after each other
- people can live an independent and healthy life

3. Our core values

Our five core values of **respect, integrity, equality, listening** and **excellence** signal to everyone the beliefs, behaviours and principles that underpin all that we do. They are central to our approach, and will guide us towards our vision for the borough and its people. These shared and agreed values set out what the council stands for and how it will behave:

*The council will **respect** its staff and citizens, act with **integrity**, value **equality and diversity**, **listen** to what people say, do what we say, and strive for and deliver **excellence**.*

The council is working to embed these values in the day to day practices of every service. The values are reflected in recruitment and retention processes and training programmes, including in particular our induction programme for new employees. They are also reflected in our human resource policies, practices and procedures and through all organisational development activities across the organisation.

4. Understanding our community

Using data and feedback

The CIPPF is underpinned by the use of primary data, analysis and stakeholder feedback to undertake needs analysis to support the design and delivery of services. The People and Place Perspectives: A Picture of Our Community document is one way in which this is achieved. Key headlines illustrating the wider context in which the council works include:

- Walsall Borough has a population of 253,500; there was a steady decline during the 1990's, however, since 2001 it has increased slightly. Walsall has a relatively high dependency population. 22% of the population are above 60 years compared to 20.7% nationally. Having fewer people of working age is likely to increase the need for council services.
- 32% of residents are aged under 25, compared to a national average of 31%;
- The latest published unemployment level for Walsall is 7.5% (June 08) compared with 5.2% nationally.
- Out of 354 local authorities in England and Wales, Walsall ranks on average 45th in the 2007 English Indices of Deprivation. A focus on income measures within the overall rating places the borough as the 27th most deprived in the country. Walsall is also one of the most diverse boroughs, containing some of the most deprived areas in England and Wales and also some of the most affluent.
- 2001 Census figures show that in Walsall 14% who are from minority ethnic backgrounds.
- Minority ethnic residents' backgrounds are predominantly Indian (40%), Pakistani (27%), Bangladeshi (7%) and Mixed & Black Groups (10% and 10% respectively).

- 23.8% of households rent from registered social landlords, including Walsall Housing Group (WHG) and Walsall Association of Tenant Management Organisations (WATMOS); compared with 20% nationally. 4.6% (9% nationally) rent from private landlords and 70.1% are owner-occupiers (69% nationally).

Fair, accessible and equitable service delivery

The council is committed to making it easier for all to access local services and values equality and diversity. Therefore equality impact assessments are undertaken so that services and buildings can be examined to see how accessible they are to the public. Improvements are being highlighted in annual service improvement plans. Our overall aim as set out in the Equality and Diversity Strategy is:

The council continues its commitment to deliver an equality standard for Walsall Council that will ensure all our service users receive services that meets their individual needs

Council staff are trained on equality awareness and to be sensitive to cultural and religious differences. The council organises interpreters where needed and on request provides information in alternative formats such as Braille or audio-tape. Through the racist incident monitoring procedure and the forthcoming new harassment recording procedure, we are committed to tackling any harassment and discrimination of minority groups within the local area and supporting those minority groups and individuals.

Our Equality & Diversity Strategy sets out our key commitments in the three major roles of the council: community leadership/engagement, service delivery and major employer: and the action plan 'Our Framework for Action'. Other actions appear in our equality schemes. The council's commitments are:

Community leadership

- recognise, understand and respect each others differences and celebrate both differences and similarities
- promote equality across the borough, across all geographical areas and with all partners

Service delivery

- appreciate and aim to meet the needs of our communities, both majority and minority communities and to appreciate local citizens as individuals
- ensure fair treatment of all and the elimination of discrimination
- understand that treating all people the same is not enough; we need to recognise diversity

Employer

- achieve a workforce that is representative of the communities it serves
- ensure employees are treated fairly at work in an environment that is free from discrimination and harassment

Budget Consultation

Listening to local people

For our services to meet the needs of local residents, and of the community at large, it is essential that our plans and policies reflect the views of local people, and others who use our services. We aim to be a listening organisation and we use a wide range of consultation methods to understand better what matters to residents. As a result, we have amassed a great deal of information, which has been used to inform both the service planning and budget processes.

Budget consultation 2009/10

For many years we have undertaken specific budget consultation to inform our budget setting processes. The budget plan has been informed by a broad range of consultation outcomes, arising from the council's consultation strategy and principles of the Local Compact. The list below shows participants in the 2009/10 budget consultation process.

Participants in the 2009/10 budget consultation process

- Face to Face interviews (1148 persons)
- Youth Opinions Unite
- Over 50's Forum
- Making Our Choice
- Service Users Empowerment
- Carers Network Event
- Disability Forum
- Web survey
- Chamber of Commerce Business Breakfast Club (ICM Government and Social unit.)

Almost 1300 people have participated in budget consultation including contributions from the citizen's panel and other existing networks. The key findings of the budget consultation are detailed below.

Key Findings

- The council priority ensuring that citizens are safe and secure remains top concern. Anti social behaviour is still a concern for all groups, in particular younger and older respondents expressed concerns about youths hanging around on the streets. Media coverage of knife crime and yob culture make local people feel unsafe.
- Consistently local people identify clean streets, removal of litter and graffiti, tackling fly tipping and cleaning up derelict areas as a key priority for the borough.
- While different groups had differently priorities, clean and green was a consistent message from all groups.
- People want an efficient and effective weekly bin collection and improved facilities for recycling more types of materials to include plastics cardboard and more garden waste.

- People value the local parks, especially when they are well maintained, free from litter and vandalism.
- Being able to easily get around is critical for many groups, particularly younger and older people and those with caring responsibilities. It is equally important for people with mental health and learning difficulties to be able to get around and maintain independent lives.
- Making effective use of our resources is recognised as important by our residents and it is understood that difficult decisions have to be made. Nonetheless more services are expected for less money.
- Looking to ensure citizens are healthy. Carers highlight the importance of quality care facilities for people with special needs (children and adults), and those with mental health difficulties. Equally important for this group is provision of sufficient support (including financial) and respite care.
- There was feeling that more needs to be done and the council can play a key role, working with the NHS and schools to tackle obesity, smoking, teenage pregnancy, drugs and alcohol abuse.
- There are a number of things respondents associate with an excellent authority: open, honest, transparent and accountable to the public. Quality services are essential for a prosperous borough and local people want to access the best possible service available.

The findings of the consultation have been taken on board during the budget process. The following items are some of the areas which have been included in the 2009/10 budget.

- Investment into safer, stronger communities
- Mainstreaming funding for litter hit squad due to fall out of grant
- Capital investment into waste collection services including improvements to recycling
- Funding towards the major restoration of Walsall Arboretum and Palfrey Park
- Major investment into local transport plan, red routes and bus showcase
- Funding towards Pelsall library, children's centre and health centre
- Investment into improving greenspaces

Overall the groups learned the benefits that being active in the community can bring to local areas. Fostering cohesion brings indirect benefits such as a reduction in anti-social behaviour.

5. Financial planning: matching resources to vision and the 2009/10 – 2011/12 revenue budget

The Medium Term Financial Strategy (MTFS)

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

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

Figure 2 shows the relationship between the various components of the financial framework. The MTFS is the overarching corporate financial policy sitting below the corporate plan and above the other elements of the financial cycle. It is the driver for all other financial activity, which is aligned with service planning and performance management activities within the CIPPF (see **section 1**). Below the MTFS sit the other financial strategies; the capital strategy and the treasury management strategy.

The main objectives for the council relate to maintaining good underlying financial health, adoption of a longer-term perspective, a desire to deliver good quality, value for money services which are modern, efficient, effective, and fit for purpose and to ensure this approach facilitates delivery of the council's vision, aims and objectives.

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

Figure 2: Financial elements of the CIPPF

FINANCIAL STRATEGIES, PLANS & PROCESSES WITHIN THE CIPPF					
CATEGORY	OVERALL	REVENUE	CAPITAL	TREASURY MANAGEMENT	RISK MANAGEMENT
Strategies	MTFS				
			Capital Strategy	Treasury Management Strategy	Risk Management Strategy
Guidance	CIPFA & technical guidance	Budget Guidelines	Capital Guidelines	CIPFA Code of Practice for Treasury Management	Risk Management Toolkit
Plans	MTFP	Annual Budget	Capital Programme & AMP	Treasury Policy Statement	Risk Management Action Plans
Governance	Constitution	Budget Management & Control Manual & Annual Governance Statement		Prudential Indicators & Annual Report	Risk Register reporting and regular review
	Contract & Finance Procedure Rules				Audit Cttee Reports & annual report
	Internal & External Audit Plans and our response to inspection and audit				

Our eight key objectives are to ensure that:

- *Our financial planning and management contributes to the transformation, development and improvement of the organisation through policy-led resource allocation, the use of options appraisal, income maximisation, and the creation of headroom through savings and efficiency.*
- *Our budget is set to enable delivery of the council's defined priorities, ensuring that resources are allocated according to the corporate vision, aims, objectives and pledges.*
- *Our financial standing is stable and sustainable, so we are able to meet our expenditure commitments throughout each financial year and end each financial year with the working balance broadly intact.*
- *Our financial planning and budgeting is undertaken on a medium-term, policy led basis, to ensure that the impact of decisions of one year are reflected in the future outlook, and that future developments with financial implications are proactively identified and managed.*
- *We seek to deliver value for money in what we do, consider this within the various aspects of our corporate planning, identifying efficiencies and improvement and demonstrating this in measurable ways.*
- *We adopt a mixed economy of service provision, where partnership, joint ventures and commissioning, outsourcing, in-house provision, consortia and all other options for service delivery are explored, appraised, and implemented with the aim of delivering good services, value for money and continuous improvement.*
- *We work with our external partners, (including but not restricted to: health, police, Education Walsall, third sector) to share and optimise resources, improve services, and deliver value for money.*
- *Our budget is linked to performance measures so we can assess the effectiveness of resource allocation by using a combination of performance indicators, trend analysis, benchmarking and year on year comparison.*

The Budget Process

The budget process is a continuous annual cycle. Budgets are prepared using approved budget guidelines and updated as required. The draft budget provides for inflation, pay awards and contractual inflation. The budget cycle is shown at **Annex 1**.

2009/10 Budget Headlines

The budget has been constructed in accordance with the MTFs and all relevant corporate financial protocols and presents a balanced draft budget, resulting in:

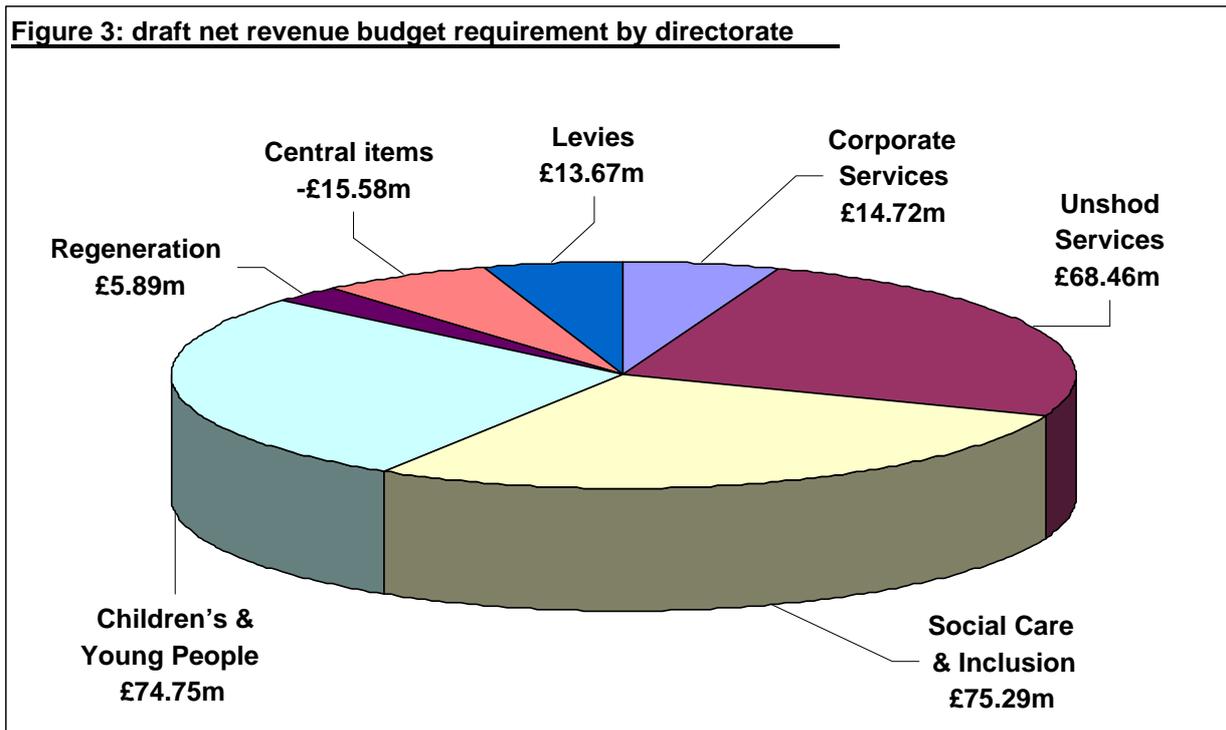
- A focus on a policy-led, medium term, risk assessed budget setting approach using corporate priorities established by cabinet,

- A total net budget of **£237.194m**
- Provision for pay awards, routine and contractual inflation and currently estimated demands and legislative changes of **£17.095m**.
- Contribution to balances of £2m ensuring opening reserves of c **£6.99m**
- Full year impact of investment choices from 2008/09 is **£1.219m** and savings **£0.704m**.
- Additional investment of **£4.344m** focussed at front line services, corporate core infrastructure and key developments
- Savings, fees and charges increases and efficiencies of **£13.412m**
- Appropriate use of prudential borrowing to support capital investment where affordable and sustainable with revenue costs being reflected in this report.

The financial implications arising from the draft capital programme 2009/10 to 2011/12 are contained within the draft revenue budget.

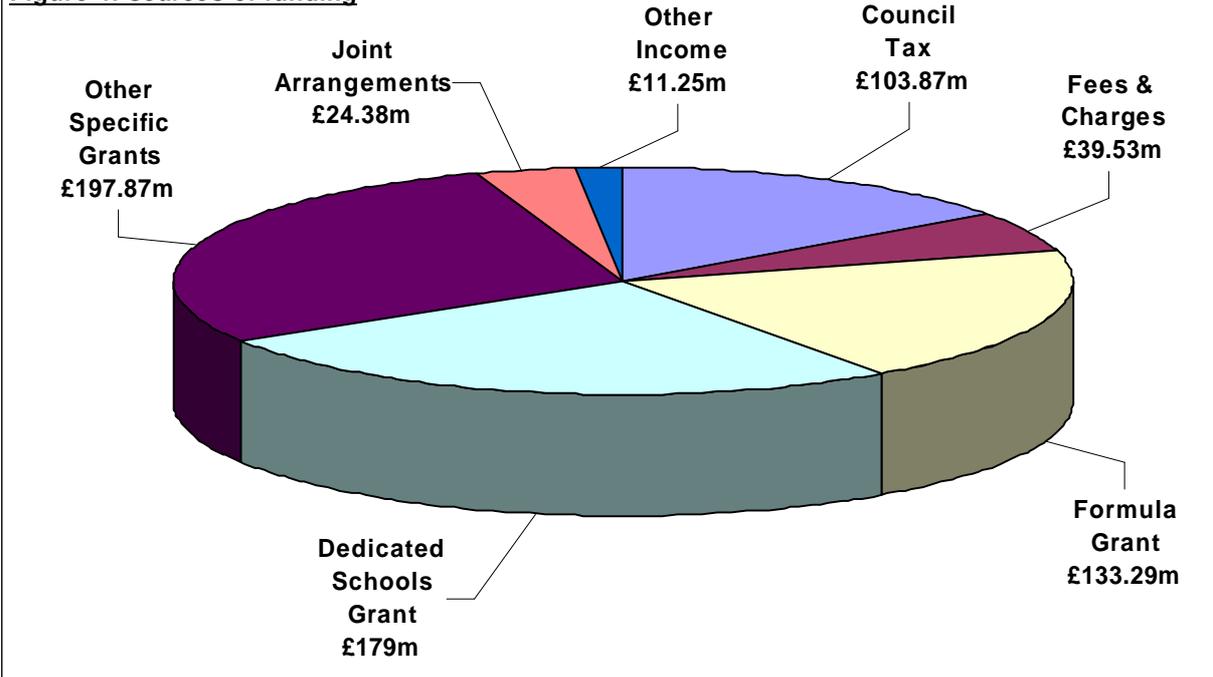
2009/10 Budget Details

The net budget requirement results in net spending on services of **£237.194m**. **Figure 3** provides a breakdown of the draft net spending by directorate.



The council receives income from a number of sources including council tax, central Government grant and specific grants to help pay for certain services including schools and social care. The council also charges for parking, use of leisure facilities and other services. In 2009/10 the council tax will account for c**15.1%** of total income. **Figure 4** shows all the main sources of income.

Figure 4: sources of funding



The revenue budget for 2009/10 totals £237.194m after allowing for the effects of inflation. It has been possible to commit to £23.955m to address key priorities and funding of essential cost pressures. This includes investment in Welfare Rights, Children and Adult Care services, further development of waste collections and recycling and meeting the impact upon revenue streams arising from the economic downturn.

This commitment has been made possible by planned improvements in efficiencies and other savings, together with the use of one-off resources in the short term. The council is transforming the way it undertakes its business, with a view to reducing overhead and transactional costs. The net budget requirement is shown in **Table 1**.

Table 1: Draft budget requirement 2009/10	£m	Annex No
Basic forecast 2008/9	227.421	
Budget refresh*	17.611	Annex 6
Contribution to balances	2.000	
Use of one-off funding sources	-0.770	
Total investment	4.344	Annex 3
Total efficiencies / savings and fees and charges	-13.412	Annex 4 & 5
2009/10 Net Draft Budget Requirement	237.194	Annex 6

* pay award, inflation, funding charges, removal of one-off investment and efficiencies, full year effect of previous years investment and savings.

Investment

The 2008/9 revenue budget included funding for service improvement, customer demand, legislative changes, and to meet target performance levels. The 2009/10 draft budget seeks to build on the improvements delivered in the last three years. New service investment bids totalling £4.344m are included, as they have been identified as a very high priority by Cabinet and as being essential to meeting cost

pressures, legislative requirements and/or to meeting performance targets. Full details can be found as **Annex 3**.

The budget allows for investment in adult care services in order to address demographic pressures of £2.12m, extra funding to meet increasing costs of safeguarding children (£0.579m), further investment into refuse collection and recycling (£0.665m) and meeting budget pressures caused by loss of income particularly in planning, car parks, development control and burials, of £1.666m.

The budget assumes that any education-related pressures will be accommodated from the schools DSG.

Efficiencies, Savings and Service Realignment

Senior managers have identified efficiencies, increased fees and charges and reductions in service which were considered achievable without changes in approved policy. Efficiencies and savings of £12.768m are reflected in this report. These effectively release funding for other council priorities and investment. Removal of any saving increases the proposed draft council tax and percentage increase. Additional savings would reduce it. Details are at **Annex 5**

Fees and Charges Increases

Fees and charges were reviewed by management as part of this process. Where appropriate, increases have been proposed as part of the budget process. Extra work has taken place to begin to benchmark against other councils to ensure that the council is making appropriate fees and charges for services provided. This comparison has also included private sector benchmarking and work with other bodies e.g. CIPFA. This review will continue to ensure that applicable charges and value for money services are delivered. Details of the £0.720m are attached at **Annex 4**.

Formula Grant

The Government provides funding to councils through the Formula Grant. For Walsall in 2009/10 this is £133.294m and represents about 56% of the council's overall net budget requirement and as such has a significant impact on the level of services the council can afford to provide. Any budget requirement over and above the level of grant has to be borne either via council tax payers and/or users/recipients of services.

Formula grant is a complex calculation within various blocks based on relative needs, population, demographic data, the tax base and "floor damping". The dampening mechanism ensures no council receives less than a 1.75% annual increase and so acts as a safety net for those councils that would otherwise lose out in grant receipt. These funding arrangements were introduced in 2006/07. At the same time, the funding of schools was removed from Formula Grant and Government now provides a separate ring fenced grant for schools; the Dedicated Schools Grant (DSG). In 2009/10 this will be c £179m, equivalent to a 3.3% per pupil rise over 2008/09. The final allocation will be available in July following a pupil count in January. The DSG for 2010/11 and 2011/12 is £186m and £191m respectively.

The Government last year released a 3 year settlement for years 2008/09 to 2010/11. Figures may alter in year 2010/11 as it is anticipated there will be another Comprehensive Spending Review (CSR) in 2009, however formula grant for 2009/10 and 2010/11 is £133.3m and £137.2m respectively. An estimate for 2011/12 has been calculated at £141.4m. The 3 year settlement was welcomed in terms of financial stability.

However, whilst Walsall's grant increase was above the national average in 2009/10 at 3.52% as opposed to a national metropolitan average of 2.9% (2.8% for England), as a result of the use of floor damping Walsall's formula grant for 2009/10 was reduced by £6.1m (in addition to £7.3m in 2008/09). Over a three year period to 2009/10 this equates to a loss of £16.9m. The indications are that this 'dampening' method will continue to be used. The Formula Grant allocation for Walsall is set out in **Table 2** and increases over the last 3 years and future years are shown in **Table 3**.

Table 2: Formula Grant	2009/10	2010/11	2011/12
	£m	£m	£m
A basic needs allowance of £397.86 per resident	103.6	106.0	109.1
A deduction for estimated local tax resources	-12.7	-13.5	-14.0
Central allocation – a 'top up' per head	48.5	49.7	50.9
Total grant	139.4	142.2	146.0
A deduction for our contribution to the floor safety net	-6.1	-5.0	-4.6
2008/09 total grant (adjusted for damping)	133.3	137.2	141.4
Formula grant (adjusted)	128.8	133.3	137.2
Grant increase (adjusted)	4.5	4.0	4.2
Grant increase (adjusted) - %	3.52%	3.0%	3.0%

Table 3 : Increase in formula grant						
	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12
Walsall	2.4%	4.1%	4.9%	3.5%	3.0%	3.0%
Metropolitan Borough Average	2.6%	3.5%	3.7%	2.9%	2.5%	2.5%

Collection Fund

The collection fund is a fund separate to the revenue general fund which accounts for income collected from council tax. In January of each financial year, an in-depth appraisal is undertaken to assess the estimated level of collection (as aggregated to include that relating to the current and previous years), the likely balance of the fund and to advise the precepting authorities (Fire and Police) of their share of the

surplus/deficit to enable them to take this into account in their own budget calculations.

The assessment undertaken in January 2009 revealed an estimated surplus. When taking into account projections to the year-end, a useable Walsall surplus of c£0.03m is available.

Comparative Draft Council Tax Levels

Walsall's council tax is above the West Midlands metropolitan council average. This is as a result of a conscious decision in 2003/04 to have a high increase to fund improvement and to correct previous policies of artificially dampening council tax levels by using one-off reserves. The strategy is to reduce this gap over the coming years and bring Walsall Council more in line with the average. Since 2004/05, council tax increases have represented relatively modest working towards the achievement of this target.

Comparative draft council tax levels for 2009/10 for other West Midlands or national councils are not yet publicly available.

Capping

The Government retains reserve powers to cap council tax increases where they are considered to be too high. March 2008 guidance indicates that councils approving a higher than 5% increase and/or with a net budget requirement increase above 5%, will be capped. Our net budget requirement for 2009/10 is an increase of 4.3%. It is considered highly unlikely that Walsall will be capped.

Levies and Precepts

Table 4 overleaf shows the estimated levy to be made on Walsall Council by the West Midlands Passenger Transport Authority and the estimated levy by the Environment Agency. It will be necessary to table final figures at the cabinet and/or Council meeting.

Table 4: Levies 2009/10				
Levy	2008/09 £	2009/10 £	Increase £	Increase %
WM PTA (estimated)	13,319,197	13,618,000	298,803	2.24
Environment Agency (estimated)	79,848	83,000	3,152	3.95
Total	13,399,045	13,701,000	301,955	2.25

Walsall'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; therefore the figures in **Table 5** are based on informal notification, so amended figures will be tabled at the cabinet and/or Council meetings as necessary.

Table 5: Estimated precepts 2009/10				
Precepting Authority	2009/10 Amount £	Band D 2009/10 £	Band D 2008/9 £	Band D Increase %
WM Police	77,903,474	97.98	94.67	3.50
WM fire and civil defence	37,289,987	46.90	45.74	2.54
Total	115,193,461	144.88	140.41	3.18

Value for Money (vfm)

The Audit Commission has rated the council as performing well in delivering vfm. The council scored 3 in its Use of Resources (UOR) score under the Corporate Performance Assessment (CPA) in 2008, and in the individual score for vfm. This indicates that the council is managing and using its resources well.

6. Medium term financial outlook – 2010/11 plus

The council has a longstanding commitment to medium term financial planning. In alignment with work ongoing to revise and enhance the Vision beyond 2008, we are ensuring that resources are available to deliver our aims and objectives and the priorities and pledges that flow from that.

The future financial environment continues to be challenging for most councils. Both the spending review 2007 and the Lyons Review into the structure and funding of Local Government have impacted on future resources and funding decisions and plans. Key sources of funding, in particular formula and specific grant, are assessed on a regular basis, along with emerging cost pressures. The focus is on forward planning to ensure financial risk is managed and mitigated and all known liabilities are funded, including the cost of capital investment decisions. The annual budget process requires services to calculate a provisional budget for the next 3 years.

The provisional budget beyond 2009/10 is summarised at **Annexes 7 to 8** and provides a baseline assessment of likely resources and investment pressures. The annual process requires services to calculate a provisional budget for the next three years. This includes the full year effects of changes identified in 2008/09 and inflationary and other known pressures. **Table 6** shows the projected council tax requirement. These figures include the full effect of 2009/10 draft budget proposals.

Table 6: Estimated Council Tax Scenarios 2010/11 to 2011/12		
Description	Preliminary figures	
	2010/11 £m	2011/12 £m
Net Budget Requirement	244.26	251.56
External Support	137.24	141.36
Net requirement from Council Tax	107.02	110.20

It is essential that in setting a budget for a particular year, the council has regard to the medium term outlook. The medium term financial goals and targets are updated annually, including using a comprehensive risk assessment approach to analysing and assessing the appropriate level of reserves.

Reserves

The council's strategy is to continue to demonstrate financial stability and ensure council and service wide financial pressures are well managed. The Chief Finance Officer (CFO) advises on this in accordance with best practice, professional opinion and the council's MTFS. The strategy is to end the year with the working balance intact and to commence 2009/10 with general reserves of between 2.25% (£5.34m) and 5% (£11.86m) of the overall net budget. With estimated opening reserves of £6.99m the budget 2009/10 meets this requirement.

In accordance with sections 25 – 27 of the Local Government Act 2003 and to comply with CIPFA guidance on local authority reserves and balances, the CFO is required to formally consider and report to members upon the robustness of the estimates used for the purpose of calculating the budget and the adequacy of reserves and balances in respect of the 2009/10 budget. This section of the report has been written by the council's CFO (Assistant Director of Finance), and deals with the requirements of the Act and professional guidance. Consideration of all these issues has been comprehensive and complex. **Annex 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. **Annex 10** analyses current earmarked reserves and general provisions.

Financial Risk

There has been a significant and rapid change in the economic conditions particularly around energy, food and the availability of credit. These factors have had an impact on the market conditions under which our suppliers operate, on land sales and capital receipts and on income generated from service fees and charges as follows:

There have been dramatic fluctuations in the cost of oil, which has fed a continuing increase in the cost of energy. The pressures have been on gas, fuel and electricity which move with the market conditions.

The recent banking collapses and the apparent evaporation of confidence in the business sector as a result will make extracting value from contracts more difficult to achieve. In addition, increased costs of borrowing are likely to impact on the council's treasury management function and borrowing targets.

The budget setting process includes a corporate financial risk assessment to determine key risks and their impact on the budget. Services undertake comprehensive risk assessments of their budgets by identifying risk factors, potential changes to service delivery and funding streams. This ensures that adequate corporate budgetary provision is available to cover unforeseen future events. This successful approach has been in place for several years and is used to inform the level of earmarked and general reserves. **Annex 11** shows the results of this exercise and the theoretical risk 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 investment bids. The budgeted opening level of reserves is sufficient to cover the assessed financial exposure to the council. Any use of reserves in-year would require replenishment to ensure an opening general reserve required by the MTFS.

7. Draft Capital Programme 2009/10 to 2011/12

The Council has an asset portfolio of over £859m. Therefore managing and maintaining these assets is a key issue for the council to ensure they continue to be fit for purpose and their value is maintained. The capital draft programme is key to delivering the councils vision and pledges

Due to the diverse nature of capital expenditure, each capital scheme impacts on residents in different ways according to their use of council facilities and services. Cabinet approved the current capital strategy on 21 November 2007. This document drives the construction and management of the capital programme. The strategy reflects and enables delivery of the council's vision and priorities and approved schemes must deliver that aim. It also requires the council to optimise successful partnership working for example through the WBSP, Teaching Primary Care Trust (tPCT), registered social landlords, the Urban Regeneration Company (URC) and regionally with other councils.

The draft capital programme has been constructed within the principles outlined in our capital strategy, which was assessed as good by GOWM (the highest category available). The capital programme totals £60.930m and is presented in three parts:

- Mainstream programme (£25.353m) - funded through supported and unsupported capital borrowing and receipts (**Annex 12**).
- Non-mainstream programme (£35.577m) - funded from capital grants (**Annex 14**).
- Leasing programme (£13.898m incl. £3.764m of new starts in 09/10) – revenue costs of which funded from service revenue budgets (**Annex 15**).
-

In addition, a reserve list of schemes is in place should resources become available for new starts in 2009/10 (see **Annex 13**).

Capital resources will continue to be limited in the future inevitably placing more pressure on existing programmes. Future funding will be more reliant on the council's ability to secure capital receipts from sale of land and buildings or afford additional borrowing.

Mainstream Programme

Funding

Government are expected to announce draft capital funding allocations of £6.588m for 2009/10, £5.104m for 2010/11 and £2.762m for 2011/12. Capital receipts projections are based on professional estimates of estates colleagues, and include 2008/09 carry forwards. Due to the current market conditions and value of land, receipts are expected to be limited. **Table 7** shows currently estimated resources to fund the mainstream capital programme for the 3-year period to 2011/12.

Table 7: Estimated mainstream capital resources 2009/10 to 2011/12			
Category	2009/10 £m	2010/11 £m	2011/12 £m
Supported borrowing	6.588	5.104	2.762
Unsupported borrowing	16.928	4.515	1.941
Total borrowing	23.516	9.619	4.703
Capital receipts	1.137	0.000	0.000
Other one-off sources	0.700	0.700	0.500
Total resources	25.353	10.319	5.203

Capital Schemes

In line with the capital strategy, the draft programme is constructed using capital proposal forms submitted by services. Some capital scheme categories must go ahead. These are summarised in **table 8**, along with estimated costs. See **Annex 12** for further details of the projects.

Table 8 : Capital schemes that must be supported			
Category	2009/10 £m	2010/11 £m	2011/12 £m
Supported borrowing allocations	6.588	5.104	2.762
Corporate commitments	0.550	0.550	0.550
Prior year USB commitments	4.665	0.358	0.268
Prior commitments that must be funded	12.725	4.008	1.623
Total	24.528	10.020	5.203

Reasons why these categories of schemes must go ahead:

- Supported borrowing - specific allocations for education and the West Midlands regional transport plan. The council will be criticised and future levels of funding may be compromised if resources are not allocated here.
- Corporate commitments - annual commitments that must be in the capital programme though the amounts may be varied, such as contingency.
- Prior commitments that must be funded - projects that have been commenced and funding in 2009/10 is required for their completion.

This has left £825k in 2009/10 to fund new bids which are shown in **Annex 12**. All bids were prioritised in order of importance by directorate management teams and a decision conferencing event was held with cabinet to finalise the programme. As the overall demand for resources exceeds those available, schemes deemed to be a high priority in terms of reflecting the council's priorities, including those of a health and safety nature, and therefore recommended, can be funded, representing a balanced programme for 2009/10. **Table 9** provides a breakdown of the proposed mainstream capital programme per directorate. A reserve list of schemes has also been drawn up as in previous years, as detailed in **Annex 13**.

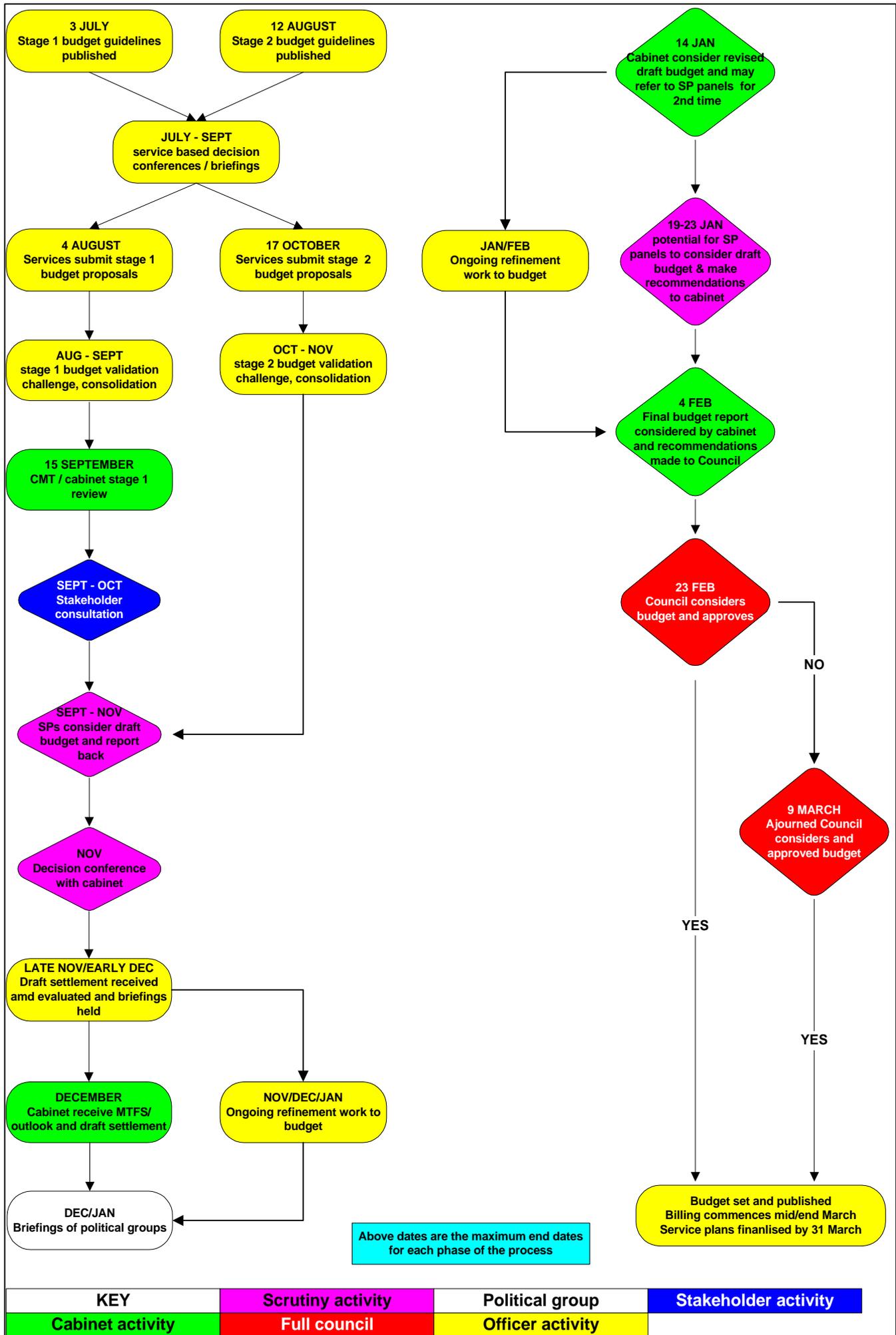
Table 9 : Mainstream capital expenditure by directorate						
Directorate	2009/10 £m	%	2010/11 £m	%	2011/12 £m	%
CIPS	9.024	35.59	4.890	47.39	0.225	4.32
Corporate	0.550	2.17	0.550	5.33	0.550	10.57
Council Wide	4.665	18.40	0.358	3.47	0.268	5.15
Neighbourhood	6.979	27.53	0.558	5.41	0.498	9.58
Regeneration	3.910	15.42	3.663	35.50	3.662	70.38
Social Care	0.225	0.89	0.300	2.90	0.000	0.00
TOTAL	25.353	100	10.319	100	5.203	100

Non-Mainstream Programme

Annex 14 shows the non-mainstream programme to 2011/12 to be funded from capital grants. Certain schemes can go ahead as these are either fully funded by grant or have the necessary mainstream or supported borrowing match funding already approved. If grant or mainstream funding is unavailable the schemes will not go ahead.

Leasing Programme

Leasing minimises the call on capital resources by spreading the acquisition cost over some years. Revenue funds are needed to finance operating leases. The 2009/10 leasing programme is £13.898m, of which £3.764m are new starts which are shown in **Annex 15**. The revenue implications of the leasing programme of £3.172m (new starts of £0.78m + £2.392m of existing leases) for 2009/10 are included in the draft revenue budget.



FINANCING COSTS

No.	INVESTMENT BID	SERVICE AREA	ANNUAL NET COST		
			2009/10	2010/11	2011/12
NEIGHBOURHOOD SERVICES					
1	Main streaming of Litter Hit Squad – No grant funding - currently funded from waste grant for 08/09.	BUILT ENVIRONMENT	75,000	75,000	75,000
2	Continued downturn in burial and cremation income - based on current demand in 2008/9	BUILT ENVIRONMENT	200,000	200,000	200,000
3	Car parking income - realignment of pay and display income targets due to sustained impact of downturn in economy	BUILT ENVIRONMENT	400,000	400,000	0
4	Loss of income from testing of products under the weights and measures act - manufacturer relocating to Poland.	BUILT ENVIRONMENT	14,000	14,000	14,000
TOTAL NEIGHBOURHOOD SERVICES			689,000	689,000	289,000
REGENERATION					
5	Continuation of the Markets Income Investment Bid This bid sets the income levels at a realistic level allowing the council to receive the appropriate surplus and the team to deliver a quality service in managing the markets, both Walsall and within the District Centres.	REGENERATION	255,000	255,000	255,000
6	Land Charges Income - realignment of expected land charge income, to set a realistic budget income target in light of the current market conditions of approximately £350k based upon projected under recovery of fees of £293,934k for years 2009/10 and 2010/11, after which time the income figure will be refreshed. It is unlikely that income will ever fully recover. Current receipts are c 46% of the original income target of £635k	REGENERATION	293,934	293,934	293,934
7	Development Control Income Review of income targets - pressure arising from under achievement of income for planning applications due to current economic conditions. In year 3 2011/12 the income figure will be refreshed. This bid is in the context of the Council having taken a number of years to build up a stable professional team within planning, in the face of a severe national shortage. This has resulted in the Council achieving top quartile performance and a stable team (in comparison to most other local authority planning teams).	REGENERATION	331,704	331,704	53,000

No.	INVESTMENT BID	SERVICE AREA	ANNUAL NET COST		
			2009/10	2010/11	2011/12
8	Building Control Income - Building Control Reduction in applications received due to economic down turn in activity.	REGENERATION	100,000	100,000	100,000
TOTAL REGENERATION			980,638	980,638	701,934
RESOURCES					
9	To mainstream the welfare rights team following fall out of WNF.	BENEFITS	235,000	235,000	235,000
10	Income from planning applications and property transactions are deminishing, exacerbated by the current financial economic climate.	LEGAL	44,000	44,000	44,000
11	Income from external trading of legal services is decreasing year on year, this has been exacerbated by the financial situation. The budgeted income is no longer achievable.	LEGAL	27,000	27,000	27,000
TOTAL RESOURCES			306,000	306,000	306,000
COUNCIL WIDE					
12	Income from the housing purchases from "right to buys" is decreasing year on year, this has been exacerbated by the economic situation. The budgeted income is no longer achievable.	CENTRAL	0	250,000	250,000
13	Additional capital financing regarding the reduction in capital due to falling land values. This is the current years shortfall in receipts which will require borrowing in order to maintain the programme. This will be funded from additional investment income in 2008/9 however as income reduces due to the changing banking environment and less flexibility as to where the council would wish to place its funds, then in 2009/10 this results in a pressure.	CENTRAL	127,500	510,000	595,000
TOTAL COUNCIL WIDE			127,500	510,000	595,000
TOTAL			2,103,138	2,485,638	1,891,934

NEW INVESTMENT

No.	INVESTMENT BID	SERVICE AREA	ANNUAL NET COST		
			2009/10	2010/11	2011/12
NEIGHBOURHOOD SERVICES					
1	Burial service enhancement for Sunday and bank holidays - provision of a 7 day / weekly service. We currently undertake burials Saturday and evenings at a higher fee than normal to cover additional costs. The current additional charge is £835 Saturday and £558 evenings. The investment includes having two teams available at all times and that charges for the out of hours services to now be £209 Saturday/Sunday and bank holidays (10% above normal charges) and £104 for evenings (5% above normal charges).	BUILT ENVIRONMENT	60,000	60,000	60,000
2	Unavoidable escalating building costs Rates shortfall of £58k at Blakenall due to increased service charges and a further £21k increase in 2008/09 above current level.	LEISURE, CULTURE AND LIFELONG LEARNING	79,000	81,000	83,000
3	Increase in energy costs lighting, traffic signals and street lighting accruals on maintenance.	BUILT ENVIRONMENT	95,000	95,000	95,000
4	Pollution control de regulation of processes - Central Government change in fee structure associated with Pollution Control permits and downturn in manufacturing industry	BUILT ENVIRONMENT	25,000	25,000	25,000
5	Festive lights sponsorship - mainstream funding was withdrawn and replaced as a sponsorship target for 2008/9.	LEISURE, CULTURE AND LIFELONG LEARNING	43,000	43,000	43,000
6	Sponsorship of events - shortfall in income budget due to the lack of private sector sponsorship.	LEISURE, CULTURE AND LIFELONG LEARNING	50,000	50,000	50,000
TOTAL NEIGHBOURHOOD SERVICES			302,000	304,000	306,000
REGENERATION					
7	Cleaning & caretaking transforming - This investment will enable the review of working practices, long term strategy development, identification of further efficiencies and the identification of new markets for the service (linked to 8 below).	PROPERTY	98,000	93,400	63,200

No.	INVESTMENT BID	SERVICE AREA	ANNUAL NET COST		
			2009/10	2010/11	2011/12
8	Increased fee income and efficiencies - cleaning & caretaking - saving related to 7 above. The payback for investment will be over a 5 year period.	PROPERTY	(25,000)	(30,000)	(50,000)
9	Employment of 1 post for new CRB checks for foster carers. This is supported by the Safer Recruitment Panel set up by CMT to oversee the CRB process. The council screens foster carers initially as a statutory requirement and this would allow the council to complete follow up checks.	HRD	25,000	25,500	26,000
10	Continuation of the Shop Mobility Service This bid will maintain the Shop Mobility Service for Walsall Town Centre, which was not implemented due to a lack of interest / capacity in taking up the service by potential providers. The scheme currently delivers around 3000 sessions per year for an average of 60 clients each week, which is growing, with the service cost averages around £25 per session (loan of powered vehicles etc.) of around 4 hours each, with a projected growth in demand these average per session costs are expected to fall.	REGENERATION	40,000	40,000	40,000
11	Reducing leased office accommodation - Over the next 3 years there is an opportunity to move out of Tameway Tower, Townend house and other leased accommodation resulting in reduced costs to the council. The Civic complex does not have the capacity to absorb more staff and therefore alternative council accommodation will need to be converted. Capital bids have been made for conversion. The cost saving over 5 years is £1.6m (linked to 12 below).	PROPERTY	103,000	53,500	92,300
12	Saving relating to the reducing of leased accommodation - linked to 11 above	PROPERTY	(60,000)	(280,000)	(702,500)
TOTAL REGENERATION			181,000	(97,600)	(531,000)
CHILDRENS, ICT AND PROCUREMENT					
13	Increased funding for family law cases - In 2008 fees were increased from £200 a case to £5,000 resulting in a cost pressure.	SPECIALIST SERVICES	224,000	224,000	224,000
14	Increase in Demand of no recourse to public funds - statutory duty under Sec 20 Children Act for children of those whose immigration status means they have no access to other public funds - current overspend of £233k is being offset by one-off management actions which cannot be maintained into 2009/10 resulting in a cost pressure.	SPECIALIST SERVICES	260,000	266,500	273,163

No.	INVESTMENT BID	SERVICE AREA	ANNUAL NET COST		
			2009/10	2010/11	2011/12
15	Statutory requirement to provide adoption support and special guardianship (adoption and children act) - promotes placement stability and reduced the number of children in care. This bid will fund increased assessments by an external company.	SPECIALIST SERVICES	75,000	75,000	75,000
16	Increased work around complex abuse cases (child protection) - under section 47 of the Children Act cthe council has a duty to investigate 'complex abuse'. Additional resources are required to meet costs of commissioning additional specialist support.	SPECIALIST SERVICES	19,500	20,500	21,000
TOTAL CHILDRENS, ICT AND PROCUREMENT			578,500	586,000	593,163
SOCIAL CARE AND INCLUSION					
17	Clients with dementia - existing clients This will fund existing clients to receive mental heath care packages. There are currently 263 clients (189 residential and nursing care and 74 home care) receiving dementia care services in Walsall. In 2008/9 the growth in dementia cases was higher than expected leading to approximately 18 cases being unfunded in the 2008/9 budget and managed in year via one-off actions.	ADULTS	379,520	379,520	379,520
18	Client demand adult social care. Across the areas of adult social care it has been estimated that demand for services for new clients is likely to be in the region of £1.2m. This includes clients with dementia, physical and sensory impairment, mental health issues and / or learning disability. The allocation of £750k will be assigned to specific client groups and in turn specific clients following case reviews and funding panels lead by the executive director.	ADULTS	750,000	750,000	750,000
TOTAL SOCIAL CARE AND INCLUSION			1,129,520	1,129,520	1,129,520
TOTAL			2,191,020	1,921,920	1,497,683

FEES AND CHARGES

No.	SAVING DESCRIPTION	SERVICE AREA	ANNUAL NET COST		
			2009/10	2010/11	2011/12
NEIGHBOURHOOD SERVICES					
1	Increase Pest Control charges by 5% (standard annual fee increase)	BUILT ENVIRONMENT	(1,500)	(1,575)	(1,654)
2	Increase in burial and cremation fees/charges including organ added to fee at rate of 7.5% (benchmarked with other authorities)	BUILT ENVIRONMENT	(200,549)	(215,590)	(231,759)
3	Increase in registration fees/charges at 7.5% e.g. marriage licensing fees, outside marriage services, British citizenship. (benchmarked with other authorities)	BUILT ENVIRONMENT	(8,500)	(9,137)	(9,823)
4	Register Office to become approved premises venue - additional room	BUILT ENVIRONMENT	(5,000)	(5,000)	(5,000)
5	Increase in income from sale of recyclable materials	BUILT ENVIRONMENT	(80,000)	(80,000)	(80,000)
6	Increase Trade Waste Charges - Increase in costs to customer and landfill tax of 5%	BUILT ENVIRONMENT	(20,000)	(20,000)	(20,000)
7	Increased external income from repair and maintenance of private vehicles	BUILT ENVIRONMENT	(5,000)	(5,000)	(5,000)
8	Increase in MOT charges - Increase in price is based on increasing rates comparable with other local service providers	BUILT ENVIRONMENT	(3,000)	(3,000)	(3,000)
9	Permits (Traffic Management Act Legislation) - New permit income from introduction of legislation	BUILT ENVIRONMENT	0	(67,000)	(140,000)
10	Introducing a charge for domestic pest control services for mice - residents not in receipt of income support, housing benefit or council tax benefit @ cost of £20 per treatment. This is comparable, or slightly lower, than other authorities that charge for this type of service.	BUILT ENVIRONMENT	(8,000)	(8,000)	(8,000)
11	Fixed Penalty Notices (Traffic Management Act legislation) - New penalty income from introduction of legislation	BUILT ENVIRONMENT	(15,000)	(20,000)	(25,000)
12	Civil Parking Enforcement income	BUILT ENVIRONMENT	(12,500)	(88,500)	(130,000)
13	Introduction of pay and display charges for Sunday parking	BUILT ENVIRONMENT	(21,500)	(22,500)	(23,500)
14	Increase in general pay and display charges and increase in long and medium stay car parking	BUILT ENVIRONMENT	(139,515)	(165,515)	(192,515)
15	Increase in staff parking charges	BUILT ENVIRONMENT	(6,000)	(12,000)	(18,000)
TOTAL NEIGHBOURHOOD SERVICES			(526,064)	(722,817)	(893,251)
REGENERATION					
16	Asset data fee charge for all buildings - This will be a charge and will enable services in non Education buildings to access the asset management database. Of particular use will be the building health and safety logbook	PROPERTY	(5,000)	(8,000)	(10,000)
17	Increased fee income and smarter charging - This will require that all activity is charged to projects including time charging. This fee recovery is dependent on the capital programme size particularly Education and on the basis that the Primary Capital programme PCP is not delivered through the BSF LEP. A full VFM analysis will be necessary on the PCP route will be required including the risk of putting too much work through a single supplier - i.e. the LEP	PROPERTY	(43,000)	(75,000)	(94,000)

No.	SAVING DESCRIPTION	SERVICE AREA	ANNUAL NET COST		
			2009/10	2010/11	2011/12
18	Fee increase on capital maintenance projects in years 1 & 2 - 0.5 % year 1, 1% year 2. This will marginally reduce the budget available for construction works	PROPERTY	(5,000)	(25,000)	(25,000)
19	Increase Land Charges Search fee from £22.50 to £29.50	REGENERATION	(8,500)	(8,500)	(8,500)
20	Expected additional recovery of planning fees post credit crunch	REGENERATION	0	0	(35,000)
21	Increase Land Charges full search fee	REGENERATION	0	0	(14,000)
22	Expected over recovery of planning fees post credit crunch	REGENERATION	0	(30,000)	(100,000)
TOTAL REGENERATION			(61,500)	(146,500)	(286,500)
SOCIAL CARE AND INCLUSION					
23	Standard charges income - older peoples services. This is based on 19 in-house self funders. This assumes no reduction in client numbers.	ADULTS	(11,808)	(20,345)	(29,053)
24	Home Care & Day Care - increase client charges from £4.88 for half hour to £5.19 based on the lowest cost of the service provision to the authority from the new contract providers. This assumes no change in client numbers. Small amounts of this income is across other services including Disability services and Mental Health.	ADULTS	(48,809)	(49,785)	(50,781)
25	Meals on Wheels - increase client charges from £2.49 to £2.75 per meal. This assumes no change in client numbers.	ADULTS	(26,576)	(27,108)	(27,650)
SOCIAL CARE AND INCLUSION			(87,193)	(97,238)	(107,484)
RESOURCES					
26	Magistrates court - following transfer of responsibility of magistrates court from local authority control, budget no longer required	FINANCE	(45,000)	(45,000)	(45,000)
TOTAL RESOURCES			(45,000)	(45,000)	(45,000)
TOTAL FEES AND CHARGES			(719,757)	(1,011,555)	(1,332,235)

EFFICIENCIES / SAVINGS

No.	SAVING DESCRIPTION	SERVICE AREA	ANNUAL NET COST		
			2009/10	2010/11	2011/12
NEIGHBOURHOOD SERVICES					
1	Reduction in Transport Costs for waste disposal - due to the disposal arrangements for waste disposal at the Cory landfill site within the borough it is possible to direct deliver thus making a saving on transport costs that are incurred when waste is disposed of via the transfer station	BUILT ENVIRONMENT	(10,000)	(10,000)	(10,000)
2	Deletion of waste monitoring officer - vacant post - post has been vacant for last 12 months and the new in cab system will be able to provide similar information	BUILT ENVIRONMENT	(32,000)	(32,000)	(32,000)
3	Reduction in hire vehicles for grounds maintenance - reduced requirement of 1 grounds maintenance vehicle	BUILT ENVIRONMENT	(10,000)	(10,000)	(10,000)
4	Reduction in use of external Contractors for lifts etc.	BUILT ENVIRONMENT	(10,000)	(10,000)	(10,000)
5	Reduction in food non-food sampling budget. The budget is used for testing consumer goods for both description and safety, examples being electrical goods, toys and motor vehicles for road worthiness.	BUILT ENVIRONMENT	(15,000)	(15,000)	(15,000)
6	One year reduction in highways maintenance budget	BUILT ENVIRONMENT	(75,000)	0	0
7	Management restructure with Engineers - removal of a vacant post	BUILT ENVIRONMENT	(45,000)	(45,000)	(45,000)
8	Realignment of Insurance budgets.	BUILT ENVIRONMENT	(55,665)	(55,665)	(55,665)
9	Reduced HWRC site operating days / hours - Closure of Merchants Way and Fryers Road HWRC sites 1 day each week (on different days)	BUILT ENVIRONMENT	(100,000)	(100,000)	(100,000)
10	Reduction in waste arising- It is estimated that the waste arising will be approximately 5,000 tonnes less than previously predicted due to increased recycling and the current economy and hence reduce disposal costs.	BUILT ENVIRONMENT	(210,000)	(210,000)	(210,000)
11	Emergency Planning staffing - Employing a student placement within Emergency Planning Division	BUILT ENVIRONMENT	(11,000)	(11,000)	(11,000)
12	Redesignation of Litter Warden post in Public Health upon retirement of post holder in March 2010. Post will be regraded at a lower level.	BUILT ENVIRONMENT	0	(5,385)	(5,385)
13	Deletion of Disinfestation Team Leader's Post upon current post holder taking retirement in March 2009.	BUILT ENVIRONMENT	(22,000)	(22,000)	(22,000)
14	Deletion of Licensing Enforcement Officer post upon current postholders retirement	BUILT ENVIRONMENT	(31,500)	(31,500)	(31,500)
15	Traffic Management Act Inspections - New income from the introduction of legislation	BUILT ENVIRONMENT	(5,000)	(10,000)	(15,000)
16	Integration of community safety and public protection team	BUILT ENVIRONMENT	(31,122)	(31,122)	(31,122)
17	Libraries & Heritage - Ready Steady Summer - scheme no longer to continue	LEISURE, CULTURE AND LIFELONG LEARNING	(50,000)	(50,000)	(50,000)
18	Review of staffing at the New Art Gallery	LEISURE, CULTURE AND LIFELONG LEARNING	(40,000)	(60,000)	(60,000)
19	Administrative savings within the Walsall Adult & Community College's operation	LEISURE, CULTURE AND LIFELONG LEARNING	(3,300)	(5,500)	(6,600)

No.	SAVING DESCRIPTION	SERVICE AREA	ANNUAL NET COST		
			2009/10	2010/11	2011/12
20	Cease funding to the Behavioural Improvement service	LEISURE, CULTURE AND LIFELONG LEARNING	(10,326)	(40,652)	(40,652)
21	Box office software efficiencies and savings on annual maintenance charges	LEISURE, CULTURE AND LIFELONG LEARNING	(16,700)	(27,800)	(33,400)
22	Libraries & Heritage - reduce the media purchase fund in Libraries	LEISURE, CULTURE AND LIFELONG LEARNING	(35,500)	(35,500)	(35,500)
23	Re-alignment of existing staff into a Quick Response Team for Leisure, Culture & Lifelong Learning	LEISURE, CULTURE AND LIFELONG LEARNING	(28,300)	(28,300)	(28,300)
24	Greenspaces - Management team re-alignment (reduction of 1 post)	LEISURE, CULTURE AND LIFELONG LEARNING	(17,800)	(37,800)	(37,800)
25	Libraries & Heritage - Local History Centre reduction of 1 post via natural attrition	LEISURE, CULTURE AND LIFELONG LEARNING	(15,000)	(15,000)	(15,000)
26	Greenspaces - removal of 2 vacant posts in grounds maintenance	LEISURE, CULTURE AND LIFELONG LEARNING	(39,600)	(39,600)	(39,600)
27	Leisure & Culture Management Restructure - Review within Greenspaces & Arts/Events	LEISURE, CULTURE AND LIFELONG LEARNING	(40,000)	(40,000)	(40,000)
28	Greenspace - review of structure	LEISURE, CULTURE AND LIFELONG LEARNING	(54,990)	(54,990)	(54,990)
29	Creative development team - increase commissioned work and work on larger projects to attract more income and also seek grant aid to cover BME / cohesion and disability work	LEISURE, CULTURE AND LIFELONG LEARNING	(11,000)	(9,000)	(5,000)
30	Removal of vacant team leader post and reduction in equipment and maintenance budget within contact centre / First Stop Shop	LEISURE, CULTURE AND LIFELONG LEARNING	(35,500)	(35,500)	(35,500)
31	Catering - Management team re-alignment	LEISURE, CULTURE AND LIFELONG LEARNING	(4,482)	(28,965)	(28,965)
32	Catering - Introduction of Management Fee	LEISURE, CULTURE AND LIFELONG LEARNING	(112,800)	(191,000)	(191,000)
33	Reduction in events programming expenditure	LEISURE, CULTURE AND LIFELONG LEARNING	(58,400)	(96,400)	(115,400)
34	Undertake Voluntary Redundancy trawl across specific service areas with Leisure & Culture (unlikely to be Catering or Green Spaces) ~ and realign remaining staff to ensure service continuity. Cost to the service in year 1.	LEISURE, CULTURE AND LIFELONG LEARNING	100,000	(100,000)	(100,000)
35	Restructure within greenspaces - parks and allotments	LEISURE, CULTURE AND LIFELONG LEARNING	(35,010)	(35,010)	(35,010)
36	Reduction in library opening hours	LEISURE, CULTURE AND LIFELONG LEARNING	(130,000)	(130,000)	(130,000)
37	Illuminations closure - 3 year closure due to major restoration programme	LEISURE, CULTURE AND LIFELONG LEARNING	(170,000)	(153,000)	(153,000)
38	Re-organisation of leisure management - combine sports development and sports management teams	LEISURE, CULTURE AND LIFELONG LEARNING	(29,700)	(49,700)	(49,700)
39	Greenspaces - Closure of the Grange golf course and seek alternative provider	LEISURE, CULTURE AND LIFELONG LEARNING	(37,800)	(57,800)	(57,800)

No.	SAVING DESCRIPTION	SERVICE AREA	ANNUAL NET COST		
			2009/10	2010/11	2011/12
40	Cease funding the LNP Community Cash Scheme	NEIGHBOURHOOD PARTNERSHIPS	(24,000)	(24,000)	(24,000)
41	Proposed relocation of the Beechdale offices resulting in economies of scale.	SAFER WALSALL BOROUGH PARTNERSHIP	(3,000)	(3,000)	(3,000)
42	Non re-employment of one current vacant admin post as it is replaced by 2 modern apprentices employed on a 12 month contract	SAFER WALSALL BOROUGH PARTNERSHIP	(5,000)	(5,000)	(5,000)
43	CCTV - removal of temporary operator vacant post and reduction in CCTV overtime	SAFER WALSALL BOROUGH PARTNERSHIP	(33,500)	(33,500)	(33,500)
44	Reduction in staff advertising, publicity and training budgets	SAFER WALSALL BOROUGH PARTNERSHIP	(15,000)	(15,000)	(15,000)
45	Reduction in partnership running/expenses and receipt of contributions towards office accomodation and other premise costs from partner organisations	SAFER WALSALL BOROUGH PARTNERSHIP	(18,500)	(18,500)	(18,500)
46	Reduction in temporary staffing costs	ACROSS DIRECTORATE	(277,826)	(277,826)	(277,826)
47	Reduction in ABG funding	ACROSS DIRECTORATE	(147,087)	(168,017)	(147,087)
TOTAL NEIGHBOURHOOD SERVICES			(2,063,408)	(2,465,032)	(2,470,802)
REGENERATION					
48	Reduce spend on agency staff by around 15% by introducing a framework of the level of temporary staff that will be provided, and promote greater use of the core peripatetic staff team and local 'buddying' arrangements for short term absence.	BUSINESS SUPPORT	(100,000)	(100,000)	(100,000)
49	Removal of 2 vacant post - one within supporting people team and one not directly allocated to a service area.	BUSINESS SUPPORT	(35,000)	(35,000)	(35,000)
50	Remove a post in Sport & Leisure. Existing post holder already working elsewhere in the organisation and could be permanently redeployed. Discussions are ongoing with the service to improve processes and allocation of duties to minimise impact.	BUSINESS SUPPORT	(20,000)	(20,000)	(20,000)
51	Remove post in Public Protection (vacant for over 10 months)	BUSINESS SUPPORT	(15,000)	(15,000)	(15,000)
52	Delete 1 Admin Team Manager post within Social Care & Inclusion, vacant and now not required	BUSINESS SUPPORT	(30,000)	(30,000)	(30,000)
53	Review and reduction of supplies and services budgets within business support (excluding the post room).	BUSINESS SUPPORT	(25,000)	(25,000)	(25,000)
54	Consolidation of Family Support and Safeguarding means an opportunity to rationalise senior administrative support by removing 1 post. This exercise has already happened but the post has not yet been deleted, so services have already been engaged in the process.	BUSINESS SUPPORT	(18,000)	(18,000)	(18,000)
55	Courier Service: Price increase anticipated in charges to schools to reflect the true current costs of service provision. If this is not accepted then service will be withdrawn and reduced to other services.	BUSINESS SUPPORT	(20,000)	(20,000)	(20,000)
56	Convert four vacant Scale 2/3 posts into Apprenticeship Schemes as a pilot to support the council initiative to reduce worklessness and address under-representation of young people.	BUSINESS SUPPORT	(40,000)	(40,000)	(40,000)

No.	SAVING DESCRIPTION	SERVICE AREA	ANNUAL NET COST		
			2009/10	2010/11	2011/12
57	Reduction in first class mail , primarily affecting HRD and member post. Further exploitation of machine readable mail to utilise Royal Mail discounts.	BUSINESS SUPPORT	(10,000)	(10,000)	(10,000)
58	Remove a 25 hour post in Legal Services (vacant for 10 months+)	BUSINESS SUPPORT	(10,000)	(10,000)	(10,000)
59	Business Support review - A redesign project for Business Support service has started, using lean principles. The outcome of work with stakeholders will determine service changes, the cashable and non cashable benefits and timescales. Savings in years 2 and 3 are in addition to Financial Administration efficiencies already allocated to the Finance Direct project. This assumes the equivalent of an additional 7-9 posts (management to be considered as well as staff) from the service . It will mean the reallocation of resources aligned to Council priorities and the cessation, reduction and redesign of support to some functions.	BUSINESS SUPPORT	(145,726)	(150,726)	(150,726)
60	Removal of 0.5 FTE vacant post in Youth Offending.	BUSINESS SUPPORT	(7,000)	(7,000)	(7,000)
61	Business Support's contributions to efficiencies realised as part of the implementation phase of Finance Direct (Oracle Project) as agreed by CMT and cabinet previously.	BUSINESS SUPPORT	0	(560,000)	(560,000)
62	Reduce 1 post of support to Mayor's office (50%)	BUSINESS SUPPORT	(25,000)	(25,000)	(25,000)
63	Potential postal savings available in 10/11 following a review of current contract arrangements with Royal Mail. This is a joint working initiative with neighbouring Local Authorities, predominantly Birmingham, as they have a new agreement with Royal Mail that could benefit other authorities by up to 6p per item.	BUSINESS SUPPORT	0	(18,000)	(18,000)
64	Consolidate all communications, press, PR, advertising and publicity budgets across the council. Review priorities and then identify efficiencies / potential savings.	COMMUNICATIONS	(80,000)	(80,000)	(80,000)
65	Photography / Image Library - review of the council's requirements	COMMUNICATIONS	0	0	(8,000)
66	In year 2009/10 - switch from bi-monthly, printed staff newsletter to a quarterly, digital version	COMMUNICATIONS	(8,000)	(16,000)	(16,000)
67	Re-tender corporate advertising contract, anticipating savings through more efficient media usage. The new contractor will be bound through the contract to deliver savings on advertising spend across the council via more efficient use of media, on line advertising etc. The contract will be let in January 2009 and the new contractor will be required to deliver these savings as a term of the contract.	HRD	(60,000)	(120,000)	(120,000)
68	Redefine existing file room as a training venue resulting from electronic document management project being implemented this year. The room currently holds around 15000 personal files. By transferring these onto electronic document management a room will be freed up which can hold 20 people in a training setting. This will mean that the council will not have to use as many external venues for small/medium training activities.	HRD	(25,000)	(25,000)	(25,000)
69	Increase in vacancy management from 1.5% to 2.5% in the service.	HRD	(23,900)	(47,800)	(47,800)
70	More efficient use of supplies and services budgets	HRD	(22,686)	(25,604)	(25,604)
71	Review delivery of health and safety across the authority and reduce budget	HRD	(20,000)	(20,000)	(20,000)

No.	SAVING DESCRIPTION	SERVICE AREA	ANNUAL NET COST		
			2009/10	2010/11	2011/12
72	Reduce printing expenditure (15%) by not printing and distributing Job Shop.	HRD	(10,000)	(10,000)	(10,000)
73	Increase in Criminal Records Bureau (CRB) administration charge by 20% to bring it into line with other providers. This charge would only be made to non partner organisations.	HRD	(10,000)	(10,000)	(10,000)
74	Review and reduction of furniture budgets following introduction of model office concept	HRD	(8,000)	(8,000)	(8,000)
75	More efficient stationery budget (20% reduction) and IT usage in employee services	HRD	(10,000)	(10,000)	(10,000)
76	Voluntary reduced time in employee services and health and safety team	HRD	(27,700)	(27,700)	(27,700)
77	Rationalise the use of cars by HRD team due to onsite training. Overall reduction in car usage to meetings and welfare visits.	HRD	(7,500)	(7,500)	(7,500)
78	General efficiencies in the service (4% of the headcount). This will be achieved by re-prioritising non mandatory work within Human Resources & Development which would include service reviews of efficiencies in recruitment, support to workforce development & planning and technology roll out.	HRD	0	(126,600)	(225,651)
79	Increase in traded services charges to schools and contract payrolls in 2010/11 to ensure full cost recovery of service provision.	HRD	0	(60,000)	(60,000)
80	Reduction in Service for training, development, strategic HR planning and workforce planning.	HRD	(40,000)	(100,000)	(100,000)
81	Review delivery of redeployment support - reduced central specialised support to managers and train managers to support the redeployment process.	HRD	(35,000)	(35,000)	(35,000)
82	Cease Leadership & Management Forums (4 per year of each).	HRD	(58,000)	(58,000)	(58,000)
83	Reduce supplies and services budgets relating to service delivery by making more efficient use of equipment and supplies	POLICY AND PERFORMANCE	(24,594)	(39,438)	(39,438)
84	Restructure of corporate performance management and strategic transformation	POLICY AND PERFORMANCE	(68,000)	(68,000)	(68,000)
85	Rationalise travel expenses and training budgets for the service. In year 1 10% saving has been offered as currently the service has committed to the development of a number of team members. Savings in year 2 are 50% of remaining budget. As less training and conferences will be attended lower travel costs will be incurred and 40% of existing budget has been offered.	POLICY AND PERFORMANCE	(9,978)	(24,893)	(24,893)
86	Reduce use of professional and service fees. Budget allows service to engage external expertise when required to conduct business (e.g. support from SOLACE in preparation for the corporate assessment, expert witnesses to scrutiny etc). This will be further prioritised in future.	POLICY AND PERFORMANCE	(38,225)	(56,860)	(64,429)
87	Reduce use of agency workers and increased vacancy management. The service is currently undergoing a significant review and using backfill arrangements for vacant HoS post there is current use of agency workers to deliver service. The use of agency will be reduced in future once the review has been completed.	POLICY AND PERFORMANCE	(16,478)	(26,356)	(55,099)

No.	SAVING DESCRIPTION	SERVICE AREA	ANNUAL NET COST		
			2009/10	2010/11	2011/12
88	Reduction in production of hard copy materials for service customers and generally public (e.g. corporate plan, annual report, CIPPF, scrutiny review reports, scrutiny leaflets etc) and more concentration on access via web and on-line services.	POLICY AND PERFORMANCE	(18,786)	(30,267)	(30,267)
89	Closure of approved list of contractors. The national construction line database will be used to create tender list from 1st April 2009. This requires a change in FCR which Audit have prepared in draft to go to full Council	PROPERTY	(8,000)	(8,000)	(8,000)
90	Delete Disability Access officer post. The service will be maintained through different ways of working.	PROPERTY	(30,000)	(30,000)	(30,000)
91	Sundry items - reduction in general supplies and services budgets	PROPERTY	(1,000)	(2,000)	(3,000)
92	Vacancy management - maintaining vacant posts and also not filling with agency staff	PROPERTY	0	(30,000)	(30,000)
93	Planning policy team - replacement of revenue with capital funds	REGENERATION	(35,600)	(42,771)	(42,771)
94	Realignment of insurance budgets.	REGENERATION	(46,667)	(46,667)	(46,667)
95	Black Country Consortium Review of and reduction in funding	REGENERATION	(25,000)	(55,000)	(55,000)
96	Deletion of information officer post through redeployment	REGENERATION	(20,980)	(20,980)	(20,980)
97	Deletion of land charges / information officer through redeployment	REGENERATION	0	(26,309)	(26,309)
98	Rationalisation and more efficient use of supplies and services in land charges, building control revenue account and delivery and development	REGENERATION	(11,000)	(13,000)	(15,000)
99	Deletion of Regeneration Assistant Post - Delivery / landscape design	REGENERATION	(19,963)	(19,963)	(19,963)
100	Deletion of Regeneration Officer (Trees) Post - officer currently on secondment to greenspaces	REGENERATION	(40,309)	(40,309)	(40,309)
101	Deletion of regeneration officer post - delivery and development	REGENERATION	0	0	(34,302)
102	Deletion of regeneration assistant post - delivery and development	REGENERATION	0	(20,991)	(20,991)
103	Fee levy on non Education premises energy units for reinvestment in energy saving (0.02% pa). This will be charged on top of the energy suppliers unit costs as a levy in recognition of the savings achieved through corporate energy procurement. This budget will then be used by the Council to invest in energy saving measures in non Education buildings to reduce energy consumption and carbon emissions. A corresponding capital bid has been made for these works. It is worth noting that some authorities charge up to 0.3% levy, and this is something the Council may wish to consider	PROPERTY	(56,000)	(112,000)	(168,000)
104	Town Centre Management - staged removal of the budget for Walsall Town Centre.	REGENERATION	(25,000)	(40,000)	(47,000)
105	Economic Development Team - reduction in mainstream budget - to be funded via WNF. Bid is included in draft Target Action Plan. Staffing impact will be subject to LSP approval.	REGENERATION	(25,000)	(32,000)	(32,000)
106	Recover cost of trainee building control officer post from building control fee account	REGENERATION	(11,214)	(11,214)	(11,214)

No.	SAVING DESCRIPTION	SERVICE AREA	ANNUAL NET COST		
			2009/10	2010/11	2011/12
107	Deletion of 2 Principal Planning Officers - 1 x Enforcement and 1 x Householder Team	REGENERATION	(46,628)	(86,628)	(86,628)
108	Deletion of Senior Planning Officer	REGENERATION	(11,802)	(31,802)	(31,802)
109	Deletion of building control & development control technical support officer posts	REGENERATION	(2,482)	(33,130)	(33,130)
110	Regeneration Officer Capitalise revenue - 50% fund from Regenerating Walsall & 50% from capital programme	REGENERATION	(20,155)	(20,155)	(20,155)
111	Regeneration Officer to be 100% funded from the VIEW fund	REGENERATION	0	(31,000)	(31,000)
112	Rationalisation of training and general running costs	STRATEGIC TRANSFORMATION	(42,400)	(50,000)	(50,000)
113	Lean based initiatives in social care funded through the training support grant administered by HRD and agreed in principle by HRD, resulting in saving to council mainstream budgets.	STRATEGIC TRANSFORMATION	(9,020)	(9,020)	(9,020)
114	Deletion of 0.5FTE of a consultant post	STRATEGIC TRANSFORMATION	0	(29,129)	(51,166)
115	Reduction in temporary staffing costs	ACROSS DIRECTORATE	(363,123)	(363,123)	(363,123)
116	Reduction in ABG funding	ACROSS DIRECTORATE	(225,515)	(340,204)	(225,515)
TOTAL REGENERATION			(2,199,431)	(3,662,139)	(3,813,152)
CHILDREN'S, ICT AND PROCUREMENT SERVICES					
117	Re- negotiation hardware support contract.	ICT	(20,000)	(20,000)	(20,000)
118	Re- negotiation software licenses. Software licenses will come up for renewal on a periodic basis. This target is to continue to drive down the cost of these	ICT	(5,000)	(5,000)	(5,000)
119	Termination of obsolete BT lines. This will involve a trawl through phone lines to see if some are inactive which will decrease the BT phone bill	ICT	(5,000)	(5,000)	(5,000)
120	Remove advert from phone book for Walsall Council	ICT	(19,000)	(19,000)	(19,000)
121	Stop purchasing license package from Microsoft	ICT	(258,750)	(345,000)	(345,000)
122	Efficiencies via a new digital print contract, lower consumables contract and additional income from external bodies	PRINT AND DESIGN	(57,782)	(57,782)	(57,782)
123	Increased level of procurement savings	PROCUREMENT	(54,282)	(93,055)	(120,288)
124	Closure of children's home - children accommodated in foster placements	SPECIALIST SERVICES	(400,000)	(400,000)	(400,000)
125	Deletion of education support coordinator post	SPECIALIST SERVICES	(50,000)	(50,000)	(50,000)
126	Restructure support services to looked after children to include consideration of reduction in management posts	SPECIALIST SERVICES	(74,739)	(111,582)	(111,582)
127	Reduction in numbers of looked after children	SPECIALIST SERVICES	(372,000)	(372,000)	(372,000)
128	Rationalisation of youth service training and development resources	UNIVERSAL SERVICES	(22,500)	(22,500)	(22,500)
129	Youth service buildings maintenance budget - saving in reducing maninence costs	UNIVERSAL SERVICES	(10,000)	(10,000)	(10,000)

No.	SAVING DESCRIPTION	SERVICE AREA	ANNUAL NET COST		
			2009/10	2010/11	2011/12
130	Youth development fund - via a review and restructuring process, this fund is now being centralised, and efficiencies have been identified via this process. Development work maintained with greater efficiency and Strategic overview	UNIVERSAL SERVICES	(15,000)	(15,000)	(15,000)
131	Review & Restructuring of service delivery with Youth Offending Service	UNIVERSAL SERVICES	(155,833)	(155,833)	(155,833)
132	Universal Services Management Team - Maximising potential of undergraduate scheme to reduce salary costs in partnership with local university.	UNIVERSAL SERVICES	(20,000)	(20,000)	(20,000)
133	Reduction of hours on the Walsall Children's Fund Commissioning Support Team Budget	UNIVERSAL SERVICES	(2,789)	(2,789)	(2,789)
134	Realignment of Prevention & Local Services costs with Grant income. Offset salary costs against national grant income allocated to Walsall annually to deliver Contact Point (Statutory requirement to support the delivery of Children's Services)	UNIVERSAL SERVICES	(33,000)	(33,000)	(33,000)
135	Reduction in Youth Service activities by review of organisation and resources including the deletion of vacant posts	UNIVERSAL SERVICES	(68,366)	(68,366)	(68,366)
136	Youth Offending Service (realign youth offending service magement posts with youth justice board / working neighbourhood fund grant)	UNIVERSAL SERVICES	(82,050)	(82,050)	(82,050)
137	Realign services to establish integrated young peoples services - deliver services in multiagency team allowing reduction in 2 management posts.	UNIVERSAL SERVICES	(96,000)	(100,000)	(100,000)
138	Reduction in temporary staffing costs	ACROSS DIRECTORATE	(40,090)	(40,090)	(40,090)
139	Reduction in ABG funding	ACROSS DIRECTORATE	(1,487,175)	(1,642,583)	(1,517,175)
TOTAL CHILDREN'S, ICT AND PROCUREMENT SERVICES			(3,349,356)	(3,670,630)	(3,572,455)
SOCIAL CARE AND INCLUSION					
140	YADS Home care review team - efficiency target. Young adults expenditure on Home care is (£1.5m). By carefully reviewing the use of home care providers and the appropriateness of individual Home care visits it would be possible to make this efficiency.	ADULTS	(187,000)	(187,000)	(187,000)
141	YADS External Residential & Nursing Budgets - reducing the number of existing clients who would be able to receive a service (2 towards the end of 9/10; additional 10 in 10/11 & additional 5 in 11/12).	ADULTS	(54,923)	(412,179)	(600,726)
142	YADS Respite care - Currently there is no limit on the number of days respite care provided and paid for. From 9/10 a maximum of 48 days (24 hour days) will be provided and paid for by the Council. This is in line with other Authorities across the region. Respite care can still be provided for longer periods of time, any time over the 48 days but will be charged to the client at the full cost.	ADULTS	(54,617)	(54,617)	(54,617)
143	Reduction of 5 posts in YADS social work teams - this is a reduction of 5 posts out of a team of 20 but as this area benchmarks high it would bring us more into line with the average authority.	ADULTS	(160,390)	(160,390)	(160,390)
144	Reduction of posts of direct payments development manager, carers co-ordinators and user participation officer	ADULTS	(61,420)	(123,420)	(123,420)

No.	SAVING DESCRIPTION	SERVICE AREA	ANNUAL NET COST		
			2009/10	2010/11	2011/12
145	Older people in house home care review - General home care packages, which provide services such as waking up, washing up, dressing, putting to bed, will be provided by external agencies at lower rates than internal services. Out of Hours and specialist home care would remain internal	ADULTS	(444,000)	(444,000)	(444,000)
146	Reduction in posts in the older people assessment & care management teams - A new specialist in house brokerage service will have up to date information on the most appropriate available agency to provide a care plan. Social workers currently have to find a suitable agency to deliver the care plan. Using the new system will streamline the placing of care packages and reduce the number of Social workers by 11 and OP locality manager	ADULTS	(377,701)	(397,701)	(397,701)
147	One off reduction from Housing 21 budgets - Within the affordability model the council created a contingency to fund any unforeseen construction problems. Early indications and future profiling would suggest that this figure can be reduced.	ADULTS	0	(220,000)	0
148	Older people respite care Currently there is no limit on the number of days respite care provided and paid for. From 9/10 a maximum of 48 days (24 hour days) will be provided and paid for by the Council. This is in line with other Authorities across the region. Respite care can still be provided for longer periods of time, any time over the 48 days but will be charged to the client at the full cost.	ADULTS	(85,541)	(85,541)	(85,541)
149	20% reduction in Service Level Agreements (SLA) budgets for placements' of older people within third sector day centres	ADULTS	(135,407)	(145,499)	(145,499)
150	Housing 21- as part of the new contract for extra care housing, rehab, dementia care and day care, predicted savings will be made in 2011/12 once all the new sites are operational and the existing sites are closed.	ADULTS	0	0	(311,000)
151	Deletion of MH Team Manager Post - following reorganisation of Broadway North management structure.	ADULTS	(30,000)	(30,000)	(30,000)
152	Delete MH Social Work Post - Supporting Central Duty Post currently vacant and presently covered by agency. As part of the plan to localise duty arrangements it was planned to use for a social work post within home treatment which currently has no social care input.	ADULTS	(29,000)	(29,000)	(29,000)
153	Delete Community Mental Health Team (CMHT) Support worker posts Vacant posts currently covered by agency & staff within tPCT (recharged).	ADULTS	(33,000)	(33,000)	(33,000)
154	MH Admin posts remained within Mental Health budget due to the planned merger into the Black Country Mental Health Trust & possible TUPE arrangements. Saving relates to two half time posts which are currently vacant and covered by agency, one to be deleted in 2009/10 and one in 2010/11.	ADULTS	(7,000)	(16,000)	(16,000)
155	Review of Continuing Health Care (CHC) eligibility for Older People with Mental Health (OPMH) residential & nursing packages for over 85's. Requires 9 people or 27% of existing placements to transfer to tPCT.	ADULTS	(172,979)	(172,979)	(172,979)
156	Review of MH residential and nursing care placements for adult with mental health transferring to extra care model. Requires saving of average residential & nursing cost of 12 people (7 people in 2010/11 and 5 in 2011/12).	ADULTS	0	(146,468)	(253,596)
157	Mental Health respite care Currently there is no limit on the number of days respite care provided and paid for. From 9/10 a maximum of 48 days (24 hour days) will be provided and paid for by the Council. This is in line with other Authorities across the region. Respite care can still be provided for longer periods of time, any time over the 48 days but will be charged to the client at the full cost.	ADULTS	(57,060)	(57,060)	(57,060)

No.	SAVING DESCRIPTION	SERVICE AREA	ANNUAL NET COST		
			2009/10	2010/11	2011/12
158	Learning disability efficiencies related to supported living packages. This would require in total a 9% efficiency against the total supported living budget. This could be achieved in a variety of different ways (asking individual supported living providers being asked to implement an overall efficiency target, make changes to existing individual supported living packages or reducing the proposed inflationary award to supported living providers which is current care packages or the reduction in the inflation award for 9/10 which is currently modelled using RPI.	ADULTS	(721,389)	(1,007,040)	(1,185,962)
159	Learning disability reconfiguration of integrated day centres to reduce establishment by 4 posts.	ADULTS	(80,000)	(80,000)	(80,000)
160	Efficiencies within the external market for learning disability residential and nursing care - using fewer providers, more cost effective providers	ADULTS	(346,739)	(918,041)	(1,275,885)
161	Reduce the usage of taxis for learning disability service users - focusing on service users using their own transport or transport currently provided by the authority rather than the more expensive option of taxis.	ADULTS	(35,000)	(35,000)	(35,000)
162	Learning Disability Respite Care Currently there is no limit on the number of days respite care provided and paid for. From 9/10 a maximum of 48 days (24 hour days) will be provided and paid for by the Council. This is in line with other Authorities across the region. Respite care can still be provided for longer periods of time, any time over the 48 days but will be charged to the client at the full cost.	ADULTS	(125,390)	(125,390)	(125,390)
163	Major projects manager funded via social care reform grant for 2 years whilst undertaking the project management role within the people first project. Post to be made redundant in 2011/12.	ADULTS	(57,026)	(57,026)	(6,026)
164	Reduction in temporary staffing costs	HOUSING	(45,657)	(45,657)	(45,657)
165	Reduction in ABG funding	ACROSS DIRECTORATE	(446,541)	(565,514)	(446,541)
SOCIAL CARE AND INCLUSION			(3,747,780)	(5,548,522)	(6,301,990)
RESOURCES					
166	Insurance renewals - re-negotiation of insurance premiums contract	FINANCE	(390,717)	(390,717)	(390,717)
167	Reduction in furniture, equipment and misc supplies budgets	INTERNAL AUDIT	(1,500)	(1,500)	(1,500)
168	Review of early repayment of outstanding local authority debt	FINANCE	(287,000)	(287,000)	(287,000)
169	Streamlining of financial support due to Oracle improvements	FINANCE	0	(240,000)	(240,000)
170	Reduction in temporary staffing costs	ACROSS DIRECTORATE	(173,304)	(173,304)	(173,304)
TOTAL RESOURCES			(852,521)	(1,092,521)	(1,092,521)
COUNCIL WIDE					
171	Review of subscriptions council wide	COUNCIL WIDE	(30,000)	(30,000)	(30,000)
172	Restructuring proposals	COUNCIL WIDE	(449,800)	(867,000)	(1,115,500)
TOTAL COUNCIL WIDE			(479,800)	(897,000)	(1,145,500)
TOTAL EFFICIENCIES/SAVINGS			(12,692,296)	(17,335,844)	(18,396,420)

SUMMARY OF DRAFT CORPORATE REVENUE BUDGET 2009/10

SERVICE / LEVY ETC.	2008/9 BASIC FORECAST £000	ADJUSTMENTS TO BASIC FORECAST £000	REVISED BASIC FORECAST £000	INFLATIONARY PRESSURES £000	PAY RELATED CHANGES £000	BASIC FORECAST 2009/10 £000
Resources	14,783	142	14,925	74	318	15,317
Social care & inclusion	73,984	60	74,044	2,016	613	76,673
Childrens, ICT & procurement services	75,845	-990	74,855	780	1,098	76,733
Neighbourhood services	67,876	-1,325	66,551	1,898	917	69,366
Regeneration	6,016	60	6,076	97	769	6,942
SUB TOTAL SERVICES	238,504	-2,053	236,451	4,865	3,715	245,031
Capital Financing	14,989	1,960	16,949	0	-39	16,910
Removal of impact of depreciation	-20,850	0	-20,850	0	0	-20,850
Removal of impact of notional interest	-27,533	0	-27,533	0	0	-27,533
Non-service specific prudence/central items	9,012	4,039	13,051	328	3,140	16,519
SUB TOTAL CENTRAL ITEMS	-24,382	5,999	-18,383	328	3,101	-14,954
Levies:						
PTE (% increase to be advised)	13,319	0	13,319	268	0	13,587
Environment Agency	80	0	80	3	0	83
NET REVENUE EXPENDITURE	227,521	3,946	231,467	5,464	6,816	243,747
(Use of)/contribution to reserves	-100	2,100	2,000		0	2,000
GRAND TOTAL BUDGET REQUIREMENT	227,421	6,046	233,467	5,464	6,816	245,747

FYE OF 2008/9 APPROVED SAVINGS £000	FYE OF 2008/9 APPROVED INVESTMENT £000	NEW SAVINGS / EFFICIENCIES & FEES & CHARGES £000	NEW INVESTMENT £000	FORECAST 2009/10 INCL. SAVINGS & INVESTMENT £000
25	0	-928	306	14,720
-113	987	-3,835	1,129	74,841
-450	-250	-3,349	579	73,263
-132	625	-2,589	1,041	68,311
-34	-143	-2,261	1,162	5,666
-704	1,219	-12,962	4,217	236,801
0	0	0	127	17,037
0	0	0	0	-20,850
0	0	0	0	-27,533
0	0	-450	0	16,069
0	0	-450	127	-15,277
0	0	0	0	13,587
0	0	0	0	83
-704	1,219	-13,412	4,344	235,194
0	0	0	0	2,000
-704	1,219	-13,412	4,344	237,194

SUMMARY OF DRAFT CORPORATE REVENUE BUDGET 2010/11

SERVICE / LEVY ETC.	2009/10 BASIC FORECAST £000	ADJUSTMENTS TO BASIC FORECAST £000	REVISED BASIC FORECAST £000	INFLATIONARY PRESSURES £000	PAY RELATED CHANGES £000	BASIC FORECAST 2010/11 £000
Resources	14,720	-7	14,713	58	426	15,197
Social care & inclusion	74,841	95	74,936	2,147	623	77,706
Childrens, ICT & procurement services	73,263	-92	73,171	757	466	74,394
Neighbourhood services	68,311	-405	67,906	1,823	1,291	71,020
Regeneration	5,666	-316	5,350	97	1,070	6,517
SUB TOTAL SERVICES	236,801	-725	236,076	4,882	3,876	244,834
Capital Financing	17,037	1,747	18,784	0	-36	18,748
Removal of impact of depreciation	-20,850	0	-20,850	0	0	-20,850
Removal of impact of notional interest	-27,533	0	-27,533	0	0	-27,533
Non-service specific prudence/central items	16,069	1,108	17,177	192	2,063	19,432
SUB TOTAL CENTRAL ITEMS	-15,277	2,855	-12,422	192	2,027	-10,203
Levies:						
PTE (% increase to be advised)	13,587	0	13,587	525	0	14,112
Environment Agency	83	0	83	7	0	90
NET REVENUE EXPENDITURE	235,194	2,130	237,324	5,606	5,903	248,833
(Use of)/contribution to reserves	2,000	-2,000	0		0	0
GRAND TOTAL BUDGET REQUIREMENT	237,194	130	237,324	5,606	5,903	248,833

FYE OF PREVIOUS YEARS APPROVED SAVINGS £000	FYE OF PREVIOUS YEARS APPROVED INVESTMENT £000	NEW SAVINGS / EFFICIENCIES, FEES AND CHARGES £000	NEW INVESTMENT £000	FORECAST 2010/11 INCL. SAVINGS & INVESTMENT £000
0	0	-240	0	14,957
-1,445	312	-366	0	76,207
-1,173	8	0	0	73,229
-574	442	-72	0	70,816
-614	-226	-934	0	4,743
-3,806	536	-1,612	0	239,952
0	382	0		19,130
0	0	0		-20,850
0	0	0		-27,533
-324	0	0	250	19,358
-324	382	0	250	-9,895
0	0	0	0	14,112
0	0	0	0	90
-4,130	918	-1,612	250	244,259
0	0	0	0	0
-4,130	918	-1,612	250	244,259

SUMMARY OF DRAFT CORPORATE REVENUE BUDGET 2011/12

SERVICE / LEVY ETC.	2010/11 BASIC FORECAST £000	ADJUSTMENTS TO BASIC FORECAST £000	REVISED BASIC FORECAST £000	INFLATIONARY PRESSURES £000	PAY RELATED CHANGES £000	BASIC FORECAST 2011/12 £000
Resources	14,957	16	14,973	60	412	15,445
Social care & inclusion	76,207	84	76,291	2,280	639	79,210
Childrens, ICT & procurement services	73,229	26	73,255	561	542	74,358
Neighbourhood services	70,816	-372	70,444	1,990	1,247	73,681
Regeneration	4,743	-206	4,537	93	984	5,614
SUB TOTAL SERVICES	239,952	-452	239,500	4,984	3,824	248,308
Capital Financing	19,130	987	20,117	0	-37	20,080
Removal of impact of depreciation	-20,850	0	-20,850	0	0	-20,850
Removal of impact of notional interest	-27,533	0	-27,533	0	0	-27,533
Non-service specific prudence/central items	19,358	-679	18,679	230	823	19,732
SUB TOTAL CENTRAL ITEMS	-9,895	308	-9,587	230	786	-8,571
Levies:						
PTE (% increase to be advised)	14,112	0	14,112	546	0	14,658
Environment Agency	90	0	90	8	0	98
NET REVENUE EXPENDITURE	244,259	-144	244,115	5,768	4,610	254,493
(Use of)/contribution to reserves	0		0		0	0
GRAND TOTAL BUDGET REQUIREMENT	244,259	-144	244,115	5,768	4,610	254,493

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FYE OF PREVIOUS YEARS APPROVED SAVINGS £000	FYE OF PREVIOUS YEARS APPROVED INVESTMENT £000	NEW SAVINGS / EFFICIENCIES, FEES AND CHARGES £000	NEW INVESTMENT £000	FORECAST 2011/12 INCL. SAVINGS & INVESTMENT £000
0	0	0	0	15,445
-453	576	-311	0	79,022
-902	-93	0	0	73,363
-179	-408	0	0	73,094
-198	-712	-91	0	4,613
-1,732	-637	-402	0	245,537
0	-510	0		19,570
0	0	0	0	-20,850
0	0	0	0	-27,533
-249	595	0	0	20,078
-249	85	0	0	-8,735
0	0	0	0	14,658
0	0	0	0	98
-1,981	-552	-402	0	251,558
0	0	0	0	0
-1,981	-552	-402	0	251,558

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

Context

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

Adequacy of reserves

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

- Being significantly involved in the budget setting process, the annual financial cycle, and engaged in the strategic leadership of the organisation as an attendee of the corporate management team;
- The annual refresh of the Medium Term Financial Strategy and involvement in the production and refresh of the corporate integrated planning and performance framework (CIPPF) within which the financial framework lies;
- Challenging the budget at various stages of construction, including the reasonableness of the key budget assumptions, such as estimates of financial pressures, realism of income targets, and the extent to which known trends and liabilities are provided for;
- Meetings with specific colleagues to examine particular areas or issues;
- In-depth review of the financial risk assessments;
- Review of the movements, trends and availability of contingency, provisions and earmarked reserves to meet unforeseen cost pressures in the context of future pressures and issues;
- The use of professional experience and best professional judgement;
- The use of appropriate professional, technical guidance and local frameworks (CIPFA guidance, LAAP55, Local Government Act 73);
- Knowledge of the colleagues involved in the process, particularly finance professionals, including their degree of experience and qualifications;
- Review of the strength of financial management and reporting arrangements, including internal control and governance arrangements.

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

It is prudent for councils to maintain an adequate level of general reserves. A risk assessment approach is used to determine the required level of general

reserves and provisions. Our combined medium term financial strategy (MTFS), decision conferencing and budget preparation processes have been identified by the Audit Commission as areas of good practice to be shared nationally. The ninth (revised) edition of our MTFS was approved in November 2008. Reserves and contingencies are addressed as the first of ten themes of strategic principles, demonstrating our acknowledgement of the importance of sound governance and the priority this issue is given.

The level of general reserves, in the same way as central contingency, is index linked to the level of the net general fund revenue budget and continues to be informed by the risk assessment. The council will establish opening general reserves of between 2.25% and 5% of the total net general fund revenue budget, the precise level within this range to be determined by risk assessment. The minimum opening balance required @ 01.04.09 is £5.337m. The level of reserves for 2009/10 will be c£6.99m which is within the required range.

The MTFS also sets out the authority's financial framework including, as the first of ten themes of operational principles, calls on reserves and contingencies. This includes that reserves should not be considered to be or used as a budget and any in-year calls on the working balance should be replenished. Services should also not approve unbudgeted expenditure on the assumption that it will be met from the working balance. A central contingency supports prudent financial management. Experience shows that this should be adequate. Adequate ear marked reserves and provisions have been created to meet legal and expected liabilities. A list of reserves is included in **Annex 10**.

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

The current level of reserves is relatively modest but appropriate. The level is considered to be sufficient in all but the most unusual and serious combination of possible events. In this context, it is considered that the current level of reserves presents an optimum balance between risk management and opportunity cost. This maintains a suitable and sustainable level of reserves, which include ensuring sound governance and financial stability in the short and longer term.

Schools Reserves

The CFO as part of this statement is required to confirm that schools balances are adequate. In 2006/7, DfES introduced some new expectations on local authorities with regard to their schemes of financial management. Part of this legislation states that schools should have a balance control mechanism.

Walsall's scheme must include a provision that allows the Authority to place a control mechanism on uncommitted surplus balances. The Balance Control Mechanism (BCM) seeks to ensure that schools can build up reserves towards particular projects, through committing balances to those projects, but prevents schools from deferring implementation indefinitely. The BCM will take account of any funds paid into the school's budget share, except for funds relating to community facilities provided by the school, in accordance with Section 27 of the Education Act (2002). The scheme has applied since 1 April 2007. It allows schools to have uncommitted balances of between 5% and 8% (or £10,000, whichever is the greater) depending on the size/age range of the school.

The adequacy of balances is reviewed annually by the CFO. 5 primary (including 1 that has closed) and 3 secondary (including 1 that has closed) schools are in deficit. Action plans have been put in place to deal with each of these. The levels of reserves will be kept under regular review along with compliance with BCM through 2009/10. The overall level of reserves is considered prudent.

Use of Reserves

The above assessment demonstrates that general reserves are at an appropriate level; as determined in accordance with the MTFs and the CFO's professional advice. The MTFs allows any reserves above the level required by the MTFs to be used to fund one off items of expenditure. No general reserves below the minimum threshold are being used to support the 2009/10 budget and 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 Council uses the method based on risk assessment.

Robustness of Budget

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

The following sections of this statement signpost to particular activities and documents:

Process - a robust budget process has been used within the overall context of the MTFs. The process, timetable and the overall budget framework were approved by Cabinet.

Timetable - the process commenced in spring 2008 and the draft budget options were available in November before the draft government financial settlement. This enabled budget conferences to take place with cabinet in November and December 2008 and with corporate services scrutiny in December 2008. Formal scrutiny took place in January by all five panels. Public consultation has been ongoing since September 2008. The final budget is due to be set at Council on 23 February 2009, well within the statutory deadline.

Member involvement and Scrutiny - both informal and formal member involvement has been extensive, particularly through the cabinet portfolio holder for finance, individual portfolio holders in conjunction with executive directors, decision conference with the cabinet and separately with the corporate services scrutiny panel. Cabinet formally considered a draft budget on 14 January 2009. Scrutiny panels have each had an opportunity to make recommendations and comments to cabinet, both on the services within their individual remit and the overall budget. Presentations have also been made to political groups.

Consultation - internally and externally, has been comprehensive as outlined in this report and in a separate report to cabinet on 17 December 2008.

Challenge - there are various points of challenge at various stages of the budget, including throughout corporate management team and cabinet decision conferences, meetings of various directorate management teams, corporate management team meetings, officer decision conferences and the scrutiny process itself.

Budget monitoring - reports continue to be submitted to cabinet, scrutiny panels, corporate management team, performance boards and management teams across the council throughout the year. The council's individual performance management (IPM) process (which has been refreshed again this year) 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 (less than 5%), capping will not occur. The contingency plan should the capping criteria change 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 corporate management team itself. Accountability letters are sent to senior managers and capital project managers 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. The accountability letters will be issued again before the start of the 2009/10 financial year and as in all years, developed further from the previous year.

Current financial position - the budget is a statement of financial intent, reflecting the council's vision, plans and priorities. It also sets the financial spending parameters for each financial year and as such, the CFO assessment of the adequacy of reserves also includes the risk of services overspending and/or

underspending their budgets and the impact of this on the financial health of the council and its level of reserves. The current financial position has been reported on consistently throughout the year. The 2009/10 draft budget includes replenishment of reserves arising from the currently predicted net revenue overspend in 2008/9.

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 capital receipts to be used for the draft capital programme are based on professional estimates both of timing and value. The council has established performance monitoring arrangements for all key partnerships (e.g.: education, street lighting PFI, New Deal).

Financial risks - the council continues to use an embedded good practice risk assessment approach both when setting the budget and in validating estimated outturns. This continues for the 2008/9 outturn and 2009/10 plus budget. Details are set out in this report and **Annex 11**. The prevailing level of general reserves 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 MTFS.

All efficiencies and savings have been appraised to ensure accuracy of costings and deliverability. Individual officers are identified as accountable for their implementation. None of the efficiencies/savings are considered to be materially detrimental to performance outcomes. The council is working to improve performance outcomes on a range of activities which are monitored throughout the year. Service plans link budget provision with corporate and service priorities. Budget provision has been identified for the pledges outlined in the council's vision document.

Summary

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



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

FORECAST OF PROVISIONS AND EARMARKED RESERVES

	OPENING BALANCE @ 01.04.08 £	ANTICIPATED MOVEMENTS 2008/9 £	ANTICIPATED MOVEMENTS 2009/10 £
<u>EARMARKED RESERVES</u>			
1) Mediation <i>Reserve to cover outstanding mediation costs</i>	(250,000)	0	0
2) Property review / Tameway tower <i>Costs of property review and moves from Tameway Tower</i>	(110,000)	60,000	50,000
3) Approved carry forward of underspends <i>This is a 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 in accordance with the carry forward protocol.</i>	(537,261)	415,261	Not available at this point in time
4) Oracle <i>This reserve was created to fund further enhancements to the current financial systems.</i>	(261,672)	0	261,672
5) Strategic Transformation <i>This was created to drive forward the transformation of the authority</i>	(323,357)	223,357	100,000
6) Landfill tax scheme <i>New regulations allow for any used landfill credits to be kept and used in future years if the authority exceeds its landfill allowance.</i>	(287,955)	287,955	0
7) Community engagement <i>This reserve was established to provide pump priming support to LNP's in implementing their Local Plan.</i>	(236,249)	111,452	124,797
8) Education contract <i>This reserve was to help cover the costs of putting together a new contract, commencing July 2008.</i>	(129,843)	129,843	0
9) Early retirement costs <i>This reserve is held to help cover the cost of future increases in the employers superannuation rate as a result of early retirement decisions. If a service grants early retirement, the future pension cost to Walsall is calculated and charged to the originating service at the time.</i>	(1,174,900)	(469,892)	Not available at this point in time
10) Local Authority Business Growth Initiative (LABGI) <i>This reserve is held to help cover the cost of one off projects to create the environment for further business and economic growth within the borough.</i>	(2,028,131)	1,199,429	828,702
11) School balances <i>Unspent balances of budgets delegated to individual schools.</i>	(13,982,725)	1,000,000	Not available at this point in time
12) Commutation adjustment <i>The reserve is to provide support over the period that the commutation adjustment reduces to zero. The support will ensure that the reduction in the adjustment is smoothed over a period of time.</i>	(2,528,998)	0	1,500,000
13) New Waste Summer Work / wate tipping <i>Reserve set up to cover one off costs of introduction of new waste recycling scheme and fly tipping</i>	(195,000)	195,000	0
14) Building schools for the future	(500,000)	500,000	0

	OPENING BALANCE @ 01.04.08 £	ANTICIPATED MOVEMENTS 2008/9 £	ANTICIPATED MOVEMENTS 2009/10 £
<i>This reserve is to contribute to the project cost of implementation of the government initiative to rebuild / refurbish all secondary schools in the country.</i>			
15) Shopmobility <i>To facilitate a complete review of the shopmobility programme, and the development of a continuation / exit strategy from council funding</i>	(45,000)	0	45,000
16) Job evaluation / trade unions <i>To fund project costs associated with the statutory single status process throughout the council and funding needed to ensure trade union representation during the job evaluation process</i>	(100,000)	100,000	0
17) Environmental warranties <i>To cover any liability claims on land</i>	(400,000)	(100,000)	0
18) Street Lighting PFI <i>PFI credits received to support future years costs</i>	(7,002,015)	Not available at this point in time	Not available at this point in time
19) St Thomas Moore PFI <i>PFI credits received to support future years costs</i>	(1,151,500)	(76,694)	Not available at this point in time
20) Health and safety	(1,000,429)	293,000	0
21) Benefits subsidy <i>Set up to cover potential clawback on subsidy claims</i>	(300,000)	Not available at this point in time	Not available at this point in time
22) Insurance reserve <i>To cover potential costs and risks of uninsured costs and claims over 6 years old</i>	(779,130)	Not available at this point in time	Not available at this point in time
23) Building control fees <i>To smooth any losses of the chargeable element of building control fees in accordance with the regulations</i>	(126,745)	126,745	0
24) Criminal records bureaux checks <i>To fund costs of CRB checks</i>	(95,000)	0	0
25) 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 all 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>	209,519,121	Not available at this point in time	Not available at this point in time
SUB TOTAL OTHER EARMARKED RESERVES	175,973,211	3,995,456	2,910,171

MISCELLANEOUS PROVISIONS

1) Provision for part time employee pension costs <i>This provision was set up to cover the backdated contributions of part time employees pensions following a change in regulations which allowed part-time workers who were previously ineligible to now join the scheme.</i>	(223,355)	0	0
2) Unitary Development Plan <i>Provision set up to cover costs of a unitary development plan which we have a legal obligation to produce.</i>	(23,194)	0	0

OPENING BALANCE @ 01.04.08 £	ANTICIPATED MOVEMENTS 2008/9 £	ANTICIPATED MOVEMENTS 2009/10 £
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	OPENING BALANCE @ 01.04.08 £	ANTICIPATED MOVEMENTS 2008/9 £	ANTICIPATED MOVEMENTS 2009/10 £
3) Section 117 <i>Provision to provide for claims against the authority under mental health section 117. Dependent on individual claims being received, difficult to predict number and value of claims.</i>	(403,603)	259,109	Not available at this point in time
4) Severn Trent Employee Pensions <i>To cover former severn trent employee pension costs following termination of agency agreement</i>	(11,043)	0	0
5) Insurance fund <i>Provision to cover costs of all possible outstanding insurance claims against the authority</i>	(2,070,866)	Not available at this point in time	Not available at this point in time
6) Butlers Passage <i>Provision for legal fees for Butlers Passage.</i>	(3,047)	0	0
7) Community development staff to NP & P <i>Provision for redundancy costs.</i>	(74,004)	74,004	0
8) Housing benefit subsidy grant <i>Potential clawback from the 2006/7 subsidy claim</i>	(507,122)	Not available at this point in time	0
9) Section 38 legal expenses <i>To pay maintenance for street lighting columns and staff time for non-revenue work</i>	(42,154)	0	0
10) ASI Solutions for work in 2006/7 and 2007/8 <i>Contractual obligation for rhino patch work</i>	(15,765)	15,765	0
11) Pay back settlement <i>Provision for back pay settlement for 2 employees within fleet services</i>	(12,384)	12,384	0
SUB TOTAL MISCELLANEOUS PROVISIONS	(3,386,537)	361,262	0

**ESTIMATED
CLOSING
BALANCE
@ 31.03.10
£**

(250,000)

0

(122,000)

0

0

0

0

0

(1,644,792)

0

(12,982,725)

(1,028,998)

0

0

ESTIMATED
CLOSING
BALANCE
@ 31.03.10
£

0

0

(500,000)

(7,002,015)

(1,228,194)

(707,429)

(300,000)

(779,130)

0

(95,000)

209,519,121

182,878,838

(223,355)

(23,194)

ESTIMATED
CLOSING
BALANCE
@ 31.03.10
£

**ESTIMATED
CLOSING
BALANCE
@ 31.03.10
£**

(144,494)

(11,043)

(2,070,866)

(3,047)

0

(507,122)

(42,154)

0

0

(3,025,275)

CAPITAL BIDS 2009/10 - 2011/12 - APPROVED

DIRECTORATE	PROJECT	CAPITAL BIDS 2009/10	CAPITAL BIDS 2010/11	CAPITAL BIDS 2011/12	COMMENTS
APPROVED SCHEMES					
CIPS	Basic need	1,443,204	1,443,204	0	Further provision for new pupil places within existing Walsall schools
CIPS	Modernisation - all schools	1,947,980	312,582	0	Supported borrowing - capital allocation. To resolve condition and/or suitability issues identified in the Education Asset Management Plan. £1.368m funded by grant.
CIPS	Schools access initiative	586,620	586,620	0	To fund alterations to enable pupils with disabilities to attend mainstream schools
Regeneration	Local Transport Plan	2,610,500	2,761,500	2,761,500	The Local Transport Block Grant from the Department for Transport to deliver the objectives set out in the Local Transport Plan. £2.61m funded by grant
Supported Borrowing Allocation (Government supported via Formula Grant)		6,588,304	5,103,906	2,761,500	
Resources	Risk Management	100,000	100,000	100,000	The funding is utilised where risk assessments have been undertaken or where events dictate that immediate action be taken to manage risks e.g. insurer intervention, regulatory reform
Resources	Uninsured property damage	100,000	200,000	200,000	The council self insures its assets and is responsible for the first £250k of each claim. Expenditure is only incurred where the council has suffered loss or damage to its property in accordance with the terms and conditions of the insurance policy.
Resources	Contingency	350,000	250,000	250,000	To manage unforeseen expenditure following budget approval in February 2009.
Corporate Commitments		550,000	550,000	550,000	
Council wide	Finance Direct/Oracle	4,665,000	358,000	268,000	To implement the Cabinet approved Target Operating Model for business support and finance. Modernisation of the delivery of financial processes
Unsupported Borrowing (Council funded)		4,665,000	358,000	268,000	
Neighbourhood	Redhouse community centre	300,000	0	0	Development of a community facility on the former Redhouse school site to provide access to activities and facilities identified by the community.
Neighbourhood	Walsall arboretum restoration programme	374,233	557,506	498,176	The restoration of the arboretum is a priority for the council and is linked to the development of the illuminations and the restoration of Walsall town centre. Linked to substantial grant
Neighbourhood	Walsall TCTP ring road land acquisition	480,000	0	0	Land acquisition and compensation costs associated with compulsory purchase of land required for the construction of the ring road
Neighbourhood	Engineering & Transportation - Town Centre Transport Package	5,400,000	0	0	Completion of the ring road scheme
Regeneration	Asbestos removal	200,000	0	0	Programme of asbestos removal in council buildings. The council is required by legislation to manage asbestos in its properties and this requires the removal in some areas. Asbestos has to be identified and removed before construction works can commence
Regeneration	Civic building air condition replacement	300,000	0	0	The present air conditioning system has passed its useful life and is subject to breakdown. The funding would replace the gas in the system, upgrade coolers and replace the cooling tower with a dry system to reduce the risk of legionella
Regeneration	Legionella	300,000	400,000	400,000	The council has a duty to manage and control legionella within its buildings.
Regeneration	Regenerating Walsall	500,000	500,000	500,000	This project uses funding to help pump-prime regeneration activity. This involves site investigations, demolition works, land assembly and preparation of planning applications to support projects that reflect strategic regeneration priorities. Most of the projects involve council owned land and their ultimate sale for development.
CIPS	Barcroft primary	3,246,398	150,000	225,000	This scheme will provide a new primary school for Barcroft that will be located on the Elm Street site
CIPS	Targeted capital fund	500,000	1,500,000	0	To provide replacement school buildings for Mary Elliot and Daw End special schools and phase 1 of the rebuild of Joseph Leckie Community Technical College
CIPS	BSF	900,000	900,000	0	Contribution to project costs
Social Care	Clear major adaptations	224,517			To maintain independence for disabled clients in their own homes by providing relevant equipment and adaptations to property - additional PSRG grant received.
Prior Year/Ongoing Commitments		12,725,148	4,007,506	1,623,176	
Neighbourhood	Palfrey Park HLF	75,000	0	0	Construction of a new community pavilion to replace the current buildings as per the community approved master plan and 10 year management and maintenance priorities. Committed as matchfunding for £296,500 grant.
Neighbourhood	Pelsall library, childrens centre and health centre	350,000	0	0	Joint project with NHS to deliver a new health centre, a children's centre and a library in shared accommodation. £315k is already available for the children's centre and NHS Walsall could be expected to contribute around £250k.

DIRECTORATE	PROJECT	CAPITAL BIDS 2009/10	CAPITAL BIDS 2010/11	CAPITAL BIDS 2011/12	COMMENTS
Social Care	Hollybank rehabilitation centre	0	300,000	0	A review of Hollybank has taken place with the preferred option of operating to provide a residential rehabilitation centre, respite care and short breaks, emergency placements and a promotion of independence and reablement. Report to cabinet 22/10/08
CIPS	Academies	400,000	0	0	Academies are all-ability, state-funded schools established and managed by sponsors from a wide range of backgrounds. Walsall propose to establish 2 new academies as part of the current wave of investment.
New Schemes		825,000	300,000	0	
TOTAL APPROVED SCHEMES		25,353,452	10,319,412	5,202,676	

CAPITAL BIDS 2009/10 - 2011/12 - RESERVE LIST

DIRECTORATE	PROJECT	CAPITAL BIDS 2009/10	COMMENTS
RESERVE LIST SCHEMES			
Social Care	Clear major adaptations	275,483	To maintain independence for disabled clients in their own homes by providing relevant equipment and adaptations to property
Resources	Additional contingency	266,500	To manage unforeseen expenditure following budget approval in February 2009.
Neighbourhood	Streetly Crematorium - mercury abatement equipment/new cremators	0	It is a statutory requirement that 50% of the number of cremations should be mercury abated by 2012. It is felt appropriate to install new cremators as the existing ones will be coming to the end of their economic use by 2010. Cabinet has agreed in principle to install mercury abatement plant by 2012
Regeneration	Planned property maintenance (Essential maintenance of non-education premises - back log of repairs)	500,000	Essential maintenance and repairs that have been identified in the rolling condition surveys. A programme of works has been provided
Neighbourhood	Highways maintenance	500,000	This project is to safeguard progress already made in the condition of Walsall's classified highway network and maintain service levels.
Regeneration	Statutory testing of building services and resulting work	300,000	The council has a duty to ensure that all buildings are tested as required by legislation. This includes electrical and mechanical testing
CIPS	Eldon House reprovion	1,028,148	To reprovide Eldon House children's home to increase the capacity by one placement per night and bring the built environment up to the standard required to appropriately and consistently meet the needs of children and young people with disabilities and to meet statutory requirements. Option appraisal completed
Regeneration	Structural repairs to the central library	250,000	Central library has been found to be structurally unsound and classed as dangerous. Essential work is required to make the building safe
Regeneration	Provision of alternative accommodation to release leased premises	1,000,000	To meet the Council's pledge to release accommodation by 2012 alternative premises need to be provided. This funding will allow conversion of existing council buildings to enable office use. The buildings that have been identified are the former schools at Mary Elliot and Daw End that are estimated to accommodate about 200 staff
Regeneration	Planned property maintenance (Essential maintenance of non-education premises - back log of repairs)	0	Essential maintenance and repairs that have been identified in the rolling condition surveys. A programme of works has been provided
Neighbourhood	Highways maintenance	250,000	This project is to safeguard progress already made in the condition of Walsall's classified highway network and maintain service levels.
Social Care	Clear major adaptations	500,000	To maintain independence for disabled clients in their own homes by providing relevant equipment and adaptations to property
Regeneration	Demolition of redundant buildings to save on rates	200,000	The authority has a number of vacant premises which all attract business rates. This proposal will remove the rates requirement and also associated security issues
Regeneration	Shop Maintenance	120,000	Ongoing maintenance requirement and council obligation to tenants
Neighbourhood	Essential repair works to Norfolk Place depot	163,500	Repair works to ensure continued operation. Works to include repairs to workshop building, drainage improvements to prevent flooding, removal of asbestos, repairs to concrete floor in garage and fire alarm improvements
Neighbourhood	Memorial Safety	100,000	The Health and Safety Executive requires all burial authorities to control the risk associated with the operation or their cemeteries, including risks from unsafe memorials. This project provides funding for continual safety work on memorials. Option appraisal provided
TOTAL RESERVE LIST		5,453,631	

NB - the reserve list will be prioritised further should there be a shortfall in resources

CAPITAL BIDS 2009/10 - 2011/12 - NON-MAINSTREAM

Directorate	Project	Cap 2009/10 £	Cap 2010/11 £	Cap 2011/12 £
CIPS	14-19 diplomas, SEN and disabilities	2,000,000	6,000,000	0
CIPS	Barcroft primary	1,332,089	0	0
CIPS	Devolved formula capital	4,821,184	4,821,184	0
CIPS	Early years	1,015,217	1,015,217	0
CIPS	Extended schools	537,679	277,901	0
CIPS	Harnessing technology grant	1,016,288	1,101,784	0
CIPS	Modernisation	1,367,962	3,003,360	0
CIPS	Primary capital programme	4,357,729	6,735,729	0
CIPS	Sure start, early years and child care grants	546,966	346,598	0
CIPS	Targeted capital fund	2,000,000	6,000,000	0
CIPS	Youth capital fund	181,600	181,600	0
CIPS	Pathfinder short breaks	To be advised		
TOTAL CHILDRENS, ICT AND PROCUREMENT		19,176,714	29,483,373	0
Neighbourhood	Bloxwich library project	1,269,900	0	0
Neighbourhood	Walsall's children play portfolio	247,650	350,000	0
Neighbourhood	Greenspaces improvement	50,000	50,000	50,000
Neighbourhood	Pelsall library, childrens centre and health centre	550,000	0	0
Neighbourhood	Palfrey park restoration programme	296,500	0	0
Neighbourhood	Walsall arboretum restoration programme	720,574	1,889,670	1,739,670
Neighbourhood	Waste infrastructure capital fund	443,608	162,642	0
Neighbourhood	Safer Stronger Community Fund	106,655	106,655	0
TOTAL NEIGHBOURHOOD SERVICES		3,684,887	2,558,967	1,789,670
Regeneration	Bridge Street/Ablewell Street THI - AWM	175,000	95,000	0
Regeneration	Bridge Street/Ablewell Street THI - HLF	201,194	120,319	0
Regeneration	Bus showcase	1,000,000	1,000,000	1,000,000
Regeneration	Local transport plan	2,610,500	2,761,500	2,761,500
Regeneration	Local transport plan - Darlaston project development	150,000	0	0
Regeneration	New deal for communities	0	0	0
Regeneration	Red routes	2,000,000	400,000	1,600,000
Regeneration	Willenhall THI - HLF	150,000	300,000	300,000
Regeneration	Willenhall THI - VIEW contribution	150,000	300,000	300,000
TOTAL REGENERATION		6,436,694	4,976,819	5,961,500
Social Care	Disabled facilities grants	1,500,000	1,500,000	1,500,000
Social Care	PARIS implementation - single capital pot	129,000	129,000	0
Social Care	ICT infrastructure	95,424	100,858	0
Social Care	Hollybank rehabilitation centre	0	500,000	0
Social Care	Regional Housing Pot - Kickstart	971,690	971,690	971,690
Social Care	Regional Housing Pot - Regeneration and Growth	3,328,000	3,328,000	0
Social Care	Gypsy and travellers site - new sites	0	800,000	800,000
Social Care	Reprovision of Sandwell House homeless project	0	1,600,000	2,300,000
Social Care	Mental health	137,000	137,000	0
TOTAL SOCIAL CARE		6,161,114	9,066,548	5,571,690
TOTAL NON - MAINSTREAM BIDS		35,459,409	46,085,707	13,322,860

THI	- Townscape Heritage Investment
SEN	- Special Educational Needs
HLF	- Heritage Lottery Fund
AWM	- Advantage West Midlands
VIEW	- Visionary Investment Enhancing Walsall

DIRECTORATE / PURCHASES	2009/10 LEASING PROGRAMME			
	NEW CAPITAL EXPENDITURE	REVENUE IMPLICATIONS		
		NEW STARTS	CURRENT LEASES	TOTAL
	£' 000s	£' 000s	£' 000s	£' 000s
<u>Neighbourhood</u>				
Catering - Equipment	0	0	7	7
Catering - Vehicles	0	0	3	3
Street Pride - Equipment	0	0	57	57
Leisure, Culture & Lifelong Learning - Vehicles	56	12	7	19
Street Pride - Vehicles	746	149	278	427
Public Protection - Equipment	0	0	93	93
Public Protection - Vehicles	0	0	6	6
<u>Vehicles - Fleet Services Budget</u>				
Mayoral/Markets	84	17	11	28
CIPS	37	8	18	26
Housing - WHG	0	0	0	0
Public Protection	0	0	11	11
Street Cleansing	28	6	150	156
Leisure, Culture & Lifelong learning	561	112	122	234
ICT	0	0	2	2
Waste	0	0	916	916
Social Care & Inclusion	856	172	225	397
Grounds Maintenance	197	39	265	304
Highways	789	158	79	237
Traffic & Transportation	46	9	8	17
Fleet Services	0	0	7	7
Catering	0	0	17	17
TOTAL - NEIGHBOURHOOD	3,400	683	2,282	2,965
<u>Social Care & Inclusion</u>				
Social Care & Inclusion - Equipment	211	65	32	97
Social Care & Inclusion - Vehicles	117	23	0	23
TOTAL - SOCIAL CARE & INCLUSION	328	89	32	121
<u>ChildrenS, ICT & Procurement</u>				
Print Room - Equipment	13	3	74	77
Print Room - Vehicles	23	5	0	5
Education - Vehicles	0	0	3	3
Children & Young People - Equipment	0	0	0	0
ISS - Vehicles	23	5	0	5
TOTAL - CHILDREN, ICT & PROCUREMENT	36	8	77	85
<u>Regeneration</u>				
Strategic Transformation - Equipment	0	0	1	1
TOTAL - REGENERATION	0	0	1	1
TOTAL LEASING PROGRAMME	3,764	780	2,392	3,172

Note that the revenue implications have been calculated using an indicative rate per £'000 which will fluctuate with market conditions

SUMMARY OF DRAFT CORPORATE REVENUE FORECAST 2009/10**1. DRAFT COUNCIL TAX EXCLUDING PRECEPTS (WALSALL COUNCIL ONLY)****A. LEVELS FOR PROPERTIES WITH TWO OR MORE RESIDENTS (67% of Properties)**

BAND	WEIGHT	2008/9 C.TAX	2009/10 C.TAX	ANNUAL CHANGE	ANNUAL INCREASE
		£	£	£	%
A	6/9	855.34	888.44	33.10	3.87%
B	7/9	997.90	1,036.51	38.61	3.87%
C	8/9	1,140.45	1,184.59	44.14	3.87%
D	9/9	1,283.01	1,332.66	49.65	3.87%
E	11/9	1,568.13	1,628.81	60.68	3.87%
F	13/9	1,853.24	1,924.95	71.71	3.87%
G	15/9	2,138.35	2,221.10	82.75	3.87%
H	18/9	2,566.02	2,665.32	99.30	3.87%

2. DRAFT OVERALL COUNCIL TAX INCLUSIVE OF PRECEPTS**A. DRAFT LEVELS FOR PROPERTIES WITH TWO OR MORE RESIDENTS (67% of Properties)**

BAND	WEIGHT	2008/9 TOTAL C.TAX	2009/10 WMBC C.TAX	ESTIMATE - ACTUAL T.B.A		OVERALL (INC PRECEPTS)		
				2009/10 FIRE PRECEPT	2009/10 POLICE PRECEPT	2009/10 TOTAL C.TAX	ANNUAL C.TAX INCREASE	ANNUAL C.TAX INCREASE
		£	£	£	£	£	£	%
A	6/9	948.95	888.44	31.27	65.32	985.03	36.08	3.80%
B	7/9	1,107.10	1,036.51	36.48	76.21	1,149.20	42.10	3.80%
C	8/9	1,265.26	1,184.59	41.69	87.09	1,313.37	48.11	3.80%
D	9/9	1,423.42	1,332.66	46.90	97.98	1,477.54	54.12	3.80%
E	11/9	1,739.74	1,628.81	57.32	119.75	1,805.88	66.14	3.80%
F	13/9	2,056.05	1,924.95	67.74	141.53	2,134.22	78.17	3.80%
G	15/9	2,372.37	2,221.10	78.17	163.30	2,462.57	90.20	3.80%
H	18/9	2,846.84	2,665.32	93.80	195.96	2,955.08	108.24	3.80%

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

BAND	WEIGHT	2008/9 TOTAL C.TAX	2009/10 WMBC C.TAX	ESTIMATE - ACTUAL T.B.A		OVERALL (INC PRECEPTS)		
				2009/10 FIRE PRECEPT	2009/10 POLICE PRECEPT	2008/9 TOTAL C.TAX	ANNUAL C.TAX INCREASE	ANNUAL C.TAX INCREASE
		£	£	£	£	£	£	%
A	6/9	711.71	666.33	23.45	48.99	738.77	27.06	3.80%
B	7/9	830.33	777.39	27.36	57.16	861.91	31.58	3.80%
C	8/9	948.95	888.44	31.27	65.32	985.03	36.08	3.80%
D	9/9	1,067.57	999.50	35.18	73.49	1,108.17	40.60	3.80%
E	11/9	1,304.80	1,221.61	42.99	89.82	1,354.42	49.62	3.80%
F	13/9	1,542.04	1,443.72	50.81	106.15	1,600.68	58.64	3.80%
G	15/9	1,779.28	1,665.83	58.63	122.48	1,846.94	67.66	3.80%
H	18/9	2,135.13	1,998.99	70.35	146.97	2,216.31	81.18	3.80%

3. SPREAD OF PROPERTIES

The proportion of properties within Walsall MBC within each Council Tax band at 1st December 2008 is as follows:

BAND	A	B	C	D	E	F	G	H	TOTAL
PROPERTIES (No)	48,021	24,419	16,559	9,627	5,184	2,220	699	40	106,769
PROPERTIES (%)	44.98	22.87	15.51	9.02	4.86	2.08	0.65	0.04	100
CUMULATIVE TOTALS	67.85%								
	83.36%								
	92.37%								

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

BAND	A	B	C	D	E	F	G	H
£	0.64	0.74	0.85	0.95	1.17	1.38	1.59	1.91

Financial Risk Assessment - Corporate Revenue Budget 2009/10

POTENTIAL RISK	LOWEST COST £'000	ASSESSMENT OF RISK	HIGHEST COST £'000	ASSESSMENT OF RISK	TOTAL ESTIMATED EXPOSURE £'000
NEIGHBOURHOOD SERVICES					
Public Protection - inability to maintain current levels of environmental crime enforcement - e.g. fly tipping , litter, etc and additional costs of disposal - links to new waste collection arrangements	25	High	25	High	15
Public Protection - the continuation of cost pressures on coroner service medical and post mortem fees together with the inability to match fund with Dudley and Sandwell the additional admin support post that the Coroner has requested.	30	High	30	High	18
Public Protection - Responsibility for stray dogs out of hours DEFRA funding not ring fenced and additional demand based on current levels	30	High	30	High	18
Public Protection - unforeseen (at budget estimate time) legal costs associated with institution of legal proceedings	9	Low	100	Medium	40
Public Protection - downturn in demand for licensable activities - liquor etc	7	High	12	High	5
Public Protection - potential reduction in pest control income due to capacity/customer demand	18	High	30	High	18
Public Protection - major emergencies - e.g. flu pandemic	0	-	500	Low	100
Income from sponsorship of traffic islands.	0	-	30	Medium	12
Street Pride - additional fuel costs - If fuel costs increase to peak levels of 2008	90	Medium	90	Medium	36
Sports & Leisure fees & charges - pressure in 08/09 through reduced income. Depends on usage of sports facilities and increased competition.	50	High	100	High	60
Sports - saving for reorganisation of leisure management (£30k). Risk that 50% saving will not be achieved due to timing and redundancy implications	0	-	15	Medium	6
Catering - potential for continuation of pressure caused in 08/09 due to shortfall in investment requested in 08/09 to cover fall in meal numbers	100	High	100	High	60
Greenspaces - Tree Management - approx 60,000 trees in 1,200 hectares of public open space. Council will continue to be at risk from damage caused by trees to people and property - depends on tree damage in year and could be potentially costly to the Council	500	High	500	High	300
Greenspaces - saving for lower standards of Grounds Maintenance (£40k). Risk that 50% saving will not be achieved due to timing	0	-	20	Medium	8
Greenspaces - saving for Greenspaces / Grounds Maintenance (£55k). Risk that this saving is double counted and thus not achievable	55	High	55	High	36
Art Gallery - pressure in 08/09 through unachieved budget saving for Costa Coffee	34	High	34	High	20
Electoral Services - Additional by-election costs (unexpected in 08/09). Difficult to predict - Estimated based on cost incurred in 08/09	0	-	20	Low	4
Libraries & Heritage - saving for reduction in library opening hours (£130k). Depends on hours released against saving	30	Low	30	Low	6
Car Parking Income - this is dependent on realignment of overall budgetary target	-20	Low	20	Medium	8
Statutory notices eg Section 74, Fixed penalty Notices - all dependent on Traffic Management Act, NRSWA, new offences	0	-	20	Medium	6
Licensing of activities - commercial operations and developments	5		15	Medium	3
TOTAL NEIGHBOURHOOD SERVICES	963		1,776		779
REGENERATION					

POTENTIAL RISK	LOWEST COST £'000	ASSESSMENT OF RISK	HIGHEST COST £'000	ASSESSMENT OF RISK	TOTAL ESTIMATED EXPOSURE £'000
HRD - Reduction in redeployment support. A reduction in support to staff at risk of dismissal could place the council at risk of successful appeals against dismissal either internally or at tribunal. The large numbers of at risk staff identified at all levels from the budget proposals now amplifies this. HR staff would not be able to provide counselling and support to employees subject to redeployment which could result in legal processes not being followed. More than 50 staff will be at risk and if one appeal against dismissal is successful at tribunal then the minimum cost to the council would be £62000. Also a risk that people aren't redeployed as quickly.	0	-	300	Low	60
HRD - Payroll server could fail leading to non payment of salaries of all council staff so bank charges may be claimed from the authority. If the current servier fails there is the risk that all staff will not be paid correctly and on time or possibly at all. The council would be liable for any losses incurred by employees (for example bank charges) as a result of this	0	-	120	Low	24
Proportion of Business Support 'corporate' reduction in temporary staff costs.	0	-	130	Medium	52
Delivery of identified 15% of agency staff. This proposal is part of the overall proposals but is reliant on the implementation of new protocols and retention and utilisation of peripetetic staff.	0	-	100	Low	20
Business Support Redesign. The savings are dependant on the capacity and buy in for changes to the administartive processes across the organisation. A new way of workng with greater standardisation and realignment of resources will be challenging to implement.	0	-	146	Medium	58
Communications - ability to fully achieve saving as communicationns review not yet complete	30	Medium	50	Medium	20
Communications - Serco not having press office cover as a part of their contract (could see us having to undertake additional cover in the future)	0	-	30	Medium	12
Communications - BSF Communications (losing a post as the communications lead in the future could require us to backfill/recruit an additional officer)	0	-	60	Medium	24
Markets - Under recovery of markets income against agreed targets, due to economic downturn and poor positioning of Walsall Town Centre Market, resulting in loss of traders.	0	Low	100	Medium	40
Property Services - under recovery of fee income in building services due to reduced capital	100	High	300	Medium	120
Property Services - under recovery of fee income design & project management due to legacy extra income over costs and efficiency saving target	200	High	200	High	120
Property Services - redundant buildings - over and above £200k budget provided	50	Low	100	Medium	40
Property Services - overspend of civic centre budget through increased energy usage	0	-	100	Medium	40
Property Services - overspend PMI - day to day maintenance - this risk has increased use due to lack of capital budget for planned maintenance	100	High	350	High	210
Property Services - external legal costs due to non-availability of internal legal resources	10	Low	50	High	30
Property Services - energy costs overspend due to increased energy prices	50	Low	200	Medium	80
Planning Services - planning application income. Despite the welcome proposal to reduce the income target by £331,704, current year profile suggests a £400,970 shortfall. If similar activity next year then this will leave a shortfall of £69,266. This could of course be higher if there is a further down turn in the economy.	70	High	150	Low	60
Planning Services - land charges income. Despite the welcome proposal to realign the income target by £293,934 current profile for this financial year suggests an under recovery of £344,269. If this is repeated next year this will result in a shortfall of £50,335. However fees have increased from 1st January which mat see this reduced slightly (approximately £8,000 depending on retaining market share / activity levels). This could of course be higher if there is a further down turn in the economy.	42	High	100	Low	20
Planning Services - building control fee income could see a more significant down turn next financial year as the credit crunch will be slower to hit this service than planning applications due to contracted work still taking place.	5	High	50	Medium	10
TOTAL REGENERATION	657		2,636		1,040
CENTRAL ITEMS					

POTENTIAL RISK	LOWEST COST £'000	ASSESSMENT OF RISK	HIGHEST COST £'000	ASSESSMENT OF RISK	TOTAL ESTIMATED EXPOSURE £'000
Capital Financing - reduction in investment income due to banking environment and low interest rates	601	Medium	1,018	Medium	407
TOTAL CENTRAL ITEMS	601		1,018		407
CORPORATE SERVICES					
Benefits - increased free school meals application as the recession continues. The IT system that supports this process needs developing to cope with supporting the increased claimant base and in supporting the delivery of "reducing Child Poverty" by running various data reports and acting on the information.	30	High	30	High	18
Benefits - recruitment and training for new staff -- previous recent recruitment efforts have not delivered experienced staff. New job roles will be developed i.e. - apprentices/trainees. These new staff will not be productive during their training period --3-6 months - during this time agency staff or off site process will be required.	25	Low	40	Low	8
Revenues - cost of remote DBA - ICT do not possess the necessary expertise to provide this support and have therefore bought this service in. ICT have historically paid for this but from 2008/09 they transferred the cost to us. If we don't have this service, the system would be non compliant with legislative changes/parameter changes and patches and new software releases (approx 24 per annum) would not be applied. This would that we would be unable to process benefits or recover any council tax within statutory requirements.	25	High	35	Low	7
Benefits -- identified agency savings -- due to recession and recruitment issues these agency staff will be required to maintain the current service delivery levels during increased workload activity..Regional forecast show (advantage west midlands - monthly economic update) that the unemployment will continue to rise until 2012 and we will not return to 2008 levels until 2015.	88	High	88	High	53
Revenues - 20% increase in recovery action and admin costs. We can evidence the 20% increase in the number of recovery action taken e.g. reminders issued, final notices issued, summons issued, liability orders issued, etc. The number of special payment arrangements has also significantly increased (this year we literally have thousands) which require monitoring outside automated workflows increasing significantly our administration requirement. Not covered by increased grant which is just for benefits.	50	High	100	Low	20
TOTAL CORPORATE SERVICES	218		293		106
CHILDREN'S, ICT AND PROCUREMENT					
Family Support Packages - additional pressure arising from increased needs led packages	0	-	200	Medium	80
Direct Payments - additional pressures due to increased needs led packages	0	-	80	Medium	48
Looked after children placements - risk of increased demand	0	-	1,270	Medium/High	635
Contact & Support - increase due to increase in LAC, contract is currently being drawn up, hopefully this should reduce spend.	0	-	700	High	420
Increase in use of flexible working, fall out of ICT grant	0	-	32	Low	6
Replacement costs for social workers undertaking supervision of social work students.	0	-	92	High	55
	64	Medium	128	High	77
There will potentially be interim costs associated with creating the integrated young peoples service in the budget					
Print and Design could potentially see a decrease in income due to decreased demand from use of different communication or reduced spend	50	Medium	100	High	60
Some posts within ICT have been designated as project funded posts. There is a risk there may not be sufficient projects to fund these posts.	305	Medium	305	Medium	122
With ending the Enterprise agreement there is a risk that Microsoft will come and audit the council and find unlicensed software which could result in charges	0	-	500	Medium	200
With a volatile macro economic climate there is a risk that procurement savings could be difficult to achieve	54	Medium	1,000	Medium	400
	0	-	250	Medium	100
Schools Premature Retirements / Redundancy Costs: Walsall Council has responsibility to pay for redundancy costs from schools. As such there is a risk that a high level of redundancies could result in increased costs to the council					
Schools CRB Checks	0	-	50	High	30

POTENTIAL RISK	LOWEST COST £'000	ASSESSMENT OF RISK	HIGHEST COST £'000	ASSESSMENT OF RISK	TOTAL ESTIMATED EXPOSURE £'000
Education Premise Demolition / Security Costs	0	-	225	Medium	90
Higher Education Funding Council For England. Central Government has consulted on potentially ceasing this funding but the council will have an ongoing liability	0	-	450	High	270
Education Contract Risk.: should grant funding be altered there may be a contract variation to be actioned.	0	-	231	Low	46
During 2009/10 there will be the re-modelling for a Integrated Young People's Service, with inclusion of new funding streams, budget savings and variation in grant there will be a risk of overspend.	0	-	403	Medium	161
Education Contract Risk. With changes to the education environment there is risk that the council could be exposed to risk with changes re Sheffield funding and variations.	0	-	457	Low	91
With falling roll numbers, there is the potential that schools may close and expose the council to the risk of redundancy or costs of deficits.	0	-	750	Medium	300
TOTAL CHILDREN'S, ICT AND PROCUREMENT	473		7,223		3,192
SOCIAL CARE AND INCLUSION					
Supporting People grant income is to be reduced from £0.460m (08/09) to £0.133m in (09/10) in Accommodation services. A 12 month notice period has been given by SP following a VFM review. Alternative ways of mitigating the shortfall need to be identified and there is a possibility this may not be achieved.	327	Medium	327	Medium	131
Temporary accommodation service reduction. Walsall council currently has a total of 42 units of accommodation for statutory homeless hostels and has been advised by central government that it has to have no more than 26 statutory households accommodated by December 2010. This will result in a loss of Housing benefit Income for Dolphin House and Green Lane. (Low risk being a part year effect (Dec - March) and high risk being full year effect	36	High	118	Medium	47
Due to changing economic conditions 'credit crunch' a financial Inclusion Officers post could be required for the potential increase in demand for homeless applications and advice following things like repossessions' etc etc	17	Low	35	Low	7
LINKS TO WORK. Potential overspend remaining after restructuring	70	High	94	Medium	38
YADS HOME CARE. The need to use specialist 'off contract' Home care providers whilst refocusing the In House service to provide specialist sensory support Home care means there is some risk of overspend against this budget.	70	Medium	100	Low	20
PEOPLE FIRST PROGRAMME. Initial profiling suggests that there could be an over commitment against the people first programme of £210K. Careful rephrasing will be required to ensure that the programme can be maintained within budget. Additional funding sources will need to be explored.	210	Low	210	Low	42
TOTAL SOCIAL CARE AND INCLUSION	731		884		285
TOTAL	3,643		13,830		5,809