

Cabinet – 8 February 2006

Corporate Revenue Budget 2006/7 – 2010/11

Portfolio: Councillor J G O'Hare – Deputy Leader

Service Area: Corporate finance

Wards: All

Forward Plan: Yes

Summary of report

This report presents the revenue budget for 2006/7 to 2010/11 following consideration 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 6 March 2006.

Recommendations

To note:

1. The corporate revenue budget set out in this report and its appendices.
2. The currently estimated outturn for 2005/6.

To note and endorse that:

3. At the time of despatch of this report, the precepting authorities (fire and police) had not formally notified the authority of their final council tax increases and as such these will be tabled at the Cabinet meeting of 8 February and/or the Council meeting of 6 March. Current estimates have been used within this report based on informal notification from each precepting authority.
4. The draft general fund revenue budget 2006/7, for the Walsall Council element only, shows a draft net budget requirement of **£203.979m**, and a council tax increase of **3.74%** - resulting in a band D council tax of **£1,200.17**.
5. On the basis set out in (4) above, the provisional (i.e.: subject to formal confirmation) overall council tax increase would be 3.84%, including estimated precepts, resulting in a total band D council tax of £1,330.98.

To note, endorse and recommend to Council:

6. 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 **section 4.1** and **Appendix 11** of this report.
7. The revenue budget and council tax increase for 2006/7. (Deliberative recommendation)

A detailed draft resolution in respect of item 7 will be tabled at the Cabinet meeting.

Resource and legal considerations

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 **section 4.1** and **Appendix 11**. Unbudgeted expenditure should not be incurred assuming that it will be met from reserves. A comprehensive statement on current and recommended reserves is included in the budget report. We prudently maintain an appropriate minimum level of general reserves and use a risk assessment to determine the level. The opening balance required @ 01.04.06 is £4.6m. 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.

The final revenue support grant (RSG) settlement was received on 31.01.06. The figures show a negligible net gain of c£0.1m from the draft figures received in December 2005.

Citizen impact

The council tax increase arising from this draft budget would be 3.74%, well within the Government's ceiling of 5%, so capping is unlikely. The inclusion of the estimated fire and police precepts increases this to 3.84%. The budget is aligned with service activity in service plans. Investment has been targeted at service improvement, delivery of the council's vision and service-user demand.

Community safety

The budget provides funding for initiatives to support community safety.

Environmental impact

Investment bids for 2006/7 onwards include several bids targeted at supporting environmental improvements, e.g. waste recycling and home composting.

Performance and risk management issues

The council annually reviews corporate financial planning and budget principles. In November Cabinet approved an updated Medium Term Financial Strategy (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 has been in place for several years and is used to inform the level of earmarked and general reserves.

Appendix 1 shows the results of this exercise and the theoretical risk of between £1.68 m and £5.73 m of additional costs. However, it is highly unlikely that all these scenarios would arise. Managers are also required to deliver services within the available budget. Any known changes in service demand or costs arising from legislative or Government demands, are identified and dealt with, within the overall draft revenue budget, as an investment bid. Any use of the working balance in-year would require replenishment to ensure an opening general reserve of £4.6m, as required by the MTFS.

Equality implications

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

Consultation

The council is statutorily obliged to consult with representatives of non-domestic ratepayers before setting the budget for the following financial year. Public consultation on the budget is

an important part of our community engagement activities, effected since November 2005 through a series of facilitated workshops involving representative samples of different parts of the community, and involving members and EMT. **Appendix 2** examines how the 2006/7 draft budget reflects the outcomes of that public consultation.

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 constructing the base budget, bidding for investment and in working up savings options. EMT and Cabinet have continuously reviewed the evolving budget. Budget consultation has taken place with key stakeholders. A draft budget was considered by Cabinet at a budget decision conference on 14.11.05 and by resources scrutiny on 30.11.05 and 15.12.05. Recommendations from that event are contained in a separate report. All scrutiny panels received the draft revenue budget 2006/7+ for comment during January and February 2006 and a report is included elsewhere on tonight's agenda detailing the comments and recommendations of each panel.

Vision 2008

The budget, each investment bid and saving are assessed for their contribution to the delivery of the council's vision. The budget setting process and decision conferencing within directorates and members ensures that all budget decisions deliver the vision. All base budgets, investment bids and savings were rigorously challenged and budgets re-aligned as a result. **Appendix 3** provides an overview of the policy priorities of each portfolio holder and **Appendix 4** shows how specific investment connects to the council's vision and pledges.

1. General Fund Financial Position 2005/6

- 1.1 Current monitoring predicts an overspend at 31.03.06 of £0.55 m and reserves of c£4.45 m, as shown in **table 1**. The strategy is to end each year with the working balance intact and to commence 2006/7 with of general reserves of £4.6 m. The revenue budget 2006/7 includes replenishment of general reserves to ensure an opening balance of that level. A report elsewhere on tonight's agenda provides further detail on current financial performance.

Table 1: 2005/6 Estimated General Fund Outturn	
	2005/6 £m
Predicted revenue underspend	0.55
Balances available (post audit) @ 31.3.05	- 6.63
Less planned use of reserves to fund one-off items in 2005/6	2.13
Plus: redundant earmarked reserves transferred to general reserves	-0.50
Estimated general reserves @ 31.03.06	-4.45

- 1.2 Reserves above that required by the MTFS are used to maintain financial stability, support financial prudence and fund costs of restructuring, performance improvement, one-off investments and liabilities. Where estimated reserves are below the opening level required by the MTFS, this is required to be replenished. Provision has also been made for a central contingency.

2 Revenue Budget Process

2.1 Budget Guidelines and Underlying Principles

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

Table 2: Cost increase assumptions within Draft Budget 2006/7 to 2010/11					
Assumption \ Year	2006/7 %	2007/8 %	2008/9 %	2009/10 %	2010/11 %
Pay awards	2.95%	3%	3%	3%	3%
Contract related increases	As per contract				
Water increases	3.1%	2.1%	1.8%	1.2%	1.2%
Energy increases	5.0%	5.0%	5.0%	5.0%	5.0%
Gas increases	30.0%	5.0%	5.0%	5.0%	5.0%
General inflation	2.1%	2.0%	2.0%	2.0%	2.0%

2.2 Overall Strategy

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

- A focus on a policy-led, medium term, risk assessed budget setting approach using corporate priorities established by cabinet,
- Funding corporate pressures, the full year impact of investment choices approved in 2005/6 and demand as the highest priorities,
- Analysis of the impact of the dedicated schools grant (DSG),
- Appropriate use of prudential borrowing to support capital investment where affordable and sustainable with revenue costs being reflected in this report.
- Inflationary and other cost pressures recognised in the budget,
- Ensuring that opening general reserves are set at between 1% and 1.25% of the net revenue budget (precise level being informed by the risk assessment), equivalent to an opening balance of c£4.6 m @ 1.4.06.

2.2.2 A separate report covers the draft capital programme 2006/7 to 2010/11. The financial implications arising from this are contained within the draft revenue budget.

3 **Corporate Draft Revenue Budget 2006/7**

3.1 **Appendix 5** summarises the draft budget for 2006/7 excluding precepts. The exact values of levies and precepts are not yet known, so estimates have been made. The 2006/7 net budget requirement is £203.979m (**Table 3**). This assumes approval of total investment of £3.23 m (**Appendices 6 and 7** and **section 3.5.2** give more detail) and efficiencies and savings of £8.06 m (**Appendix 8 and 9** and **section 3.6**).

Table 3: Draft Budget Requirement 2006/7	£M
Basic forecast 2005/6	344.273
Budget refresh (pay awards, inflation) / FYE of 2005/6 investment decisions / DSG specific grant / other changes	-134.351
Total New Investment Bids	1.763
Total Efficiencies and Savings	-8.061
Net Revenue Expenditure	203.624
Contribution to/from balances	0.355
Total Net Draft Budget Requirement 2005/6	203.979
Council Tax Increase	3.74%

- 3.2 This would result in a band D council tax for the Walsall Council element only of £1,200.17, an annual increase of £43.23 or 3.74%. Most properties in Walsall (68%) are in bands A or B. This would be an annual increase of £28.83 for band A and £33.63 for band B (**Appendix 10**). This is equivalent to weekly increases of 55p and 64p respectively. **Table 4** shows the calculation.

Table 4: Draft Budget Requirement and Draft Council Tax Levels 2006/7		
Element of Budget	2006/7 Budget & Grants £	Council Tax Band D £
Walsall MBC Net Budget	203,978,539	
- Revenue Support Grant	-18,308,128	
- Business Rates	-94,843,268	
- Collection Fund Deficit	500,000	
WMBC Element – required from C/Tax	91,327,143	1200.17
Police (estimated)	6,668,245	87.63
Fire & Civil Defence (estimated)	3,285,855	43.18
Total From Council Tax	101.281	1330.98

NB: Based on an approved council tax base of 76,095 Band D equivalents. WMBC shown in this table net of use of reserves

- 3.3 The precepts have not yet been received, so provisional figures are based on informal notification from each precepting authority. Any changes will be tabled at cabinet and Council. The figures including estimated precepts are;
- Band D council tax of £1,330.98
 - Band A council tax of £887.33
 - Band B council tax of £1,035.22
- 3.4 The total net council tax increase arising is 3.84%. Each £880k increases or decreases council tax by 1%. In making any budget reductions, prudent provisions such as inflation, pay awards, replenishment of balances and funds for known future commitments should not be reduced.

3.5 Investment Bids

3.5.1 Corporate Financial Pressures

The council's strategy is to continue to demonstrate financial stability and ensure corporate financial pressures are well managed. The CFO advises on this in accordance with best practice, professional opinion and the council's MTFS. The draft budget contains c£3.5 m for corporate financial pressures (**Table 5**). A modest provision of £0.25 m has been made to smooth any cost peaks arising from the implementation of single status in the short to medium term, £0.2 m to fund the final settlement in respect of electricity costs; £0.25 m to fund an income shortfall on street advertising and £1.99 m has been set aside to fund the shortfall arising from a lower than expected income from right to buy receipts, built into the budget following the LSVT based on WHG projections. A £1.4 m provision smoothes the impact of the loss of commutation grant which impacts on the council's capital financing costs, and a reduction in income from investments. The budget also accounts for the currently predicted overspend position for 2005/6. This has been offset by just over £1 m of central budgets which are no longer needed and have been used to mitigate the total provision for corporate financial items.

Table 5: Corporate Financial Pressures	£M
Commutation Grant adjustment (capital financing) / Loss of investment income	1.41
Right to buy income shortfall	1.99
Street advertising income shortfall	0.25
Legal settlement re electricity costs	0.20
Single status	0.25
Replenishment of reserves (2005/6 overspend)	0.55
Total Pressures	4.65
Less central budget items not needed	-1.08
Net requirement	3.57

3.5.2 Funding Improvement

The 2006/7 budget seeks to further build on the improvements delivered in the last two years, with investment bids totalling £1.47 m to support continued improvement. New investment bids totalling £1.76 m are also included, as follows:

- **Appendix 6** – Full year effect of bids approved in 2005/6 budget of £1.47 m.
- **Appendix 7** – Priority new bids totalling £1.76 m.

3.5.3 The budget assumes that all education and schools pressures are accommodated from the DSG.

3.5.4 The draft capital programme 2006/7 – 2010/11 provides for significant capital investment, including the use of the Prudential Code and unsupported borrowing to fund £7.2 m of investment. The revenue implications of these decisions are included within the corporate revenue budget.

3.6 **Efficiency Savings and Service Realignment**

3.6.1 Senior managers have identified economies and efficiencies considered achievable without an adverse impact on service delivery. Reviews of fees and charges have also taken place. Efficiencies of £5.73 m (**Appendix 8**) are reflected in this report. Further savings arising from policy changes of £2.33 m have been identified (**Appendix 9**). These have released funding for other council priorities and investment. Our 2.5% Gershon efficiency target is c£6.6m, of which 50% must be cashable. The efficiencies within the 2006/7 budget will meet this target.

3.7 **Levies and Precepts**

3.7.1 Levies

Table 6 shows estimated levies to be made on Walsall council by the West Midlands PTA and the environment agency, as formal notification has not yet been received. It will be necessary to table final figures at the cabinet and/or Council meeting.

Table 6: Estimated Levies 2006/7				
Levy	2005/6 £	2006/7 £	Increase £	Increase %
WM Passenger Transport	12,234,614	12,556,531	321,917	2.63
Environment Agency	79,281	82,488	3,207	4.05
Total	12,313,895	12,639,019	325,124	2.64

3.7.2 Precepts

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 figure in **table 7** is based on informal notification, so amended figures will be tabled at the Cabinet and/or Council meetings.

Table 7: Estimated Precepts 2006/7				
Precepting authority	2006/7 Amount £	Band D 2005/6 £	Band D 2006/7 £	Band D Increase %
WM Police	6,359,795	83.68	87.63	4.72
WM fire and civil defence	3,131,796	41.21	43.18	4.78
Total	9,491,591	124.89	130.81	4.74

3.8 Formula Grant Distribution and Revenue Support Grant (RSG)

In 2006/7, central Government is introducing a new methodology for distributing grant. Each authority's revenue support grant is derived from a series of complex formulae for various blocks based on relative needs. In addition, a new funding grant, dedicated schools grant (DSG), has been introduced for schools funding. DSG is a specific grant which has the impact of reducing the council's net budget requirement. The total increase in RSG for 2006/7 for Walsall is £2.7 m or 2.5%. The national average increase is 3%. Walsall has lost out by £3m due to the impact of dampening. In comparison to the West Midlands authorities, Walsall has the 3rd highest increase, the 11th highest compared to other mets (there are 36).

3.9 Capping

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

3.10 Comparative Draft Council Tax Levels

Comparative draft council tax levels for 2006/7 for other West Midlands or national councils are not yet publicly available. It is anticipated that Walsall's increase will be within the mid-range.

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

- 4.1** In accordance with the Local Government Act 2003 (S25-S27) and to comply with CIPFA guidance on local authority reserves and balances, the CFO is required to formally consider and report to members upon the robustness of the estimates used for the purpose of calculating the budget and the adequacy of reserves and balances in respect of the 2006/7 budget. This section of the report has been written by the council's CFO (Executive Director for Corporate Services) and deals with the requirements of the Act and professional guidance. Consideration of all these issues has been comprehensive and complex. **Appendix 11** provides further information and signposts to the various activities, documents and other evidence that have contributed to the decision and declaration, and does not seek to reproduce them here. **Appendix 12** analyses current earmarked reserves and general provisions

5. Medium Term Financial Outlook – 2007/8 plus

- 5.1 The council has a longstanding commitment to medium term financial planning. The annual process requires services to calculate a provisional budget for the next 5 years. This is summarised at **Appendices 13 to 16** and includes the full year effects of changes identified in 2006/7 and inflationary and other known pressures. **Table 8** shows the current council tax requirement and an amount of efficiency savings required to achieve a scenario of council tax increases. The approach adopted in setting the budget, of matching spend and investment to priorities is now embedded.

Table 8: – Estimated Council Tax Scenarios 2007/8 to 2010/11				
Description	PRELIMINARY			
	2007/8 £M	2008/9 £M	2009/10 £M	2010/11 £M
Base Budget	216.267	230.618	245.093	260.289
External Support	117.009	120.871	124.859	128.980
Net requirement				
CT %age Increase Requirement	8.54%	10.43%	9.41%	9.07%
Efficiencies to achieve 3% increase	5.069	7.380	7.048	7.309
Efficiencies to achieve 4% increase	4.155	6.387	5.949	6.106
Efficiencies to achieve 5% increase	3.240	5.392	4.851	4.901

- 5.2 It is clear that some work will be needed to achieve a less than 5% council tax increase in 2007/8, based on latest RSG projections. It is essential that in setting a budget for a particular year, the council has regard to the medium term outlook. The council annually updates its medium term financial goals and targets. The information in this section provides a baseline assessment of likely resources and investment pressures. This will be developed further in the new financial year, with reports being brought forward to both senior officers and members in the summer.

6 Summary

- 6.1 This report presents a balanced draft budget resulting in a council tax increase of 3.74% excluding precepts, equivalent to a band D council tax of £1,200.17. The key issues are:

- Funding for corporate financial pressures of c£3.5 m.
- Funding for continued improvement of £1.47 m to support priority areas.
- Additional investment of £1.76 m focussed at front line services, corporate core infrastructure, and key developments.
- An opening general reserve of £4.6 m.
- A central contingency of £0.37 m (minimum 0.01% of the net budget).
- Savings and service re-alignments of £8.06 m.
- Full provision for pay awards, routine and contractual inflation and currently estimated demands, legislative changes and trends.

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

Background papers:

Various financial working papers.

Approved MTFS – Cabinet 30 November 2005

Revenue Support Grant Provisional Settlement – Cabinet 21 December 2005

Draft Corporate Revenue Report 2006/7 – 2010/11 – Cabinet 18 January 2006

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Portfolio Holder: Cllr J G O'Hare

Date: 2.02.06

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Financial Risk Assessment - Corporate Revenue Budget 2006/7

POTENTIAL RISK	HIGH RISK/LIKELY COST IF OCCURS £'000	MEDIUM RISK/LIKELY COST IF OCCURS £'000	LOW RISK / LIKELY RISK IF OCCURS £'000	TOTAL FINANCIAL EXPOSURE TO RISK £'000
CENTRAL ITEMS				
Lower than expected investment rate - reduced by 0.25%			125	125
Interest rate on loans increases by 1%			680	680
Total Central Items	0	0	805	805
CORPORATE SERVICES				
Fair Funding Income (FIS, Finance, Receivables, Payables) - income from traded services with schools		40		40
Service Level Agreement between WHG and Insurance - potential for SLA not to be renewed			53	53
Post Room Savings regarding the consolidation of post rooms, currently been posted against support services budget	32			32
Post Room - additional unfunded postages costs		70	0	70
Total Corporate services	32	110	53	195
CHILDREN & YOUNG PEOPLE				
Increase in number of looked after children (LAC)	200			200
Unable to achieve saving re reduction in external placements for LAC		200		200
Print & Design - not achieving income target	400			400
Total Children & Young People	600	200	0	800
NEIGHBOURHOOD SERVICES				
Under recovery of cemeteries income	50	50		100
Increased on-going costs arising from equal pay settlement	200			200
Street Lighting - increased electricity costs (inflation in excess of budget increase)		50		50
Fleet - increased fuel costs (inflation in excess of budget increase)		50		50
Unanticipated legal costs from trading standards prosecutions		50		50
Shortfall in land charges income (subject to changes in housing market - total shortfall should be partly offset by savings in staffing)	100	50		150
Non-achievement of efficiency savings and budget re-alignment in Street Pride	200	300	400	900
Total neighbourhood services	550	550	400	1,500
REGENERATION				
Under recovery of Markets income (in excess of budgetary provision made)		40		40
Total regeneration	0	40	0	40
SOCIAL CARE AND INCLUSION				
Unable to implement corrective actions in plans from 05/06 to 06/07			450	450
Increased demand for residential / nursing placements / supported living (all client groups)			400	400
Reduced in year funding from partner agencies		100		100
Workforce management - high use of agency staff - resulting in overspend	300			300
Unable to implement full year effects of 06/07 savings and efficiencies		300		300
Transitional double running costs relating to reprovision - LD and elderly			300	300
Possibility of fee increases for contractual care above the rate of inflation		200		200
Clients assessments will result in reduced levels of fairer charging income - risk is managing this within budget	200			200
Inability to attract new sources of income to trading activities (i.e. links to work)		100		100
Total social care & inclusion	500	700	1,150	2,350
TOTAL RISK	1,682	1,600	2,408	5,690

Some examples of how items highlighted amongst budget consultation groups are funded

CONSULTATION GROUP	INVESTMENT DETAILS	£'000	ADDITIONAL INFORMATION
Focus Groups (includes residents, young people and employees)			
Transport network	Local transport plan	5,599	Capital - maintenance of roads
	Town centre transport package	8,290	Capital - development of ring road
	Highways maintenance	1,535	Capital - additional investment
Parks and open spaces	Palfrey park	525	Capital - park, bowling green and bandstand
	Greenspaces improvement strategy	100	Capital - second year of 2 year programme
	Fibbersley nature reserve pool	75	Capital - improvement works
	Pelsall Nest common	65	Capital - community play area
	High Heath park	15	Capital - improvement works
	Willenhall Memorial park	200	Capital - continued improvement to park
	Manor Farm open space	60	Capital - toddlers play area
	Wallington Heath pool	55	Capital - heritage scheme
	Short Heath park	70	Capital - youth provision
Funding for all areas not just "town centre"	New investment for LNP's	100	Revenue
	New investment into town centre management (TCM)	50	Revenue - establishment of new TCM team to develop and deliver an integrated high quality approach to the management of Walsall Town Centre and the key district centres.
Arboretum	Arboretum restoration programme	700	Capital - £4m over 5 years
Improving the condition of schools	Modernisation of schools	3,852	Capital - continued funding
	Schools access initiative	522	Capital - continues for all years
	Funding of new pupil places	916	Capital - continues for all years
	School building repair	3,000	Capital - second year of 2 year programme
	New schools	2,861	Capital - replacement schools
	Roof repairs	200	Capital - continued funding
	Boiler repairs	200	Capital - continued funding
Providing more facilities for young people	Ready Steady Summer	50	Revenue - To provide a co-ordinated programme of activities for children and young people in all areas of the borough during the summer holidays 2006
	Youth service	100	Capital - building refurbishment
	Youth service	132	Capital - external funding
Continue to roll out "brown bins"	Funding is available within the revenue base budget		
Business sector			
Older peoples services	Funding is available within the revenue base budget		
Town centre manager	Funding for a new team	50	Revenue - establishment of new TCM team to develop and deliver an integrated high quality approach to the management of Walsall Town Centre and the key district centres.
Litter problems	Current enforcement activity will be prioritised into this area		
Recycling	Recycling initiatives	252	Capital - £515k over 2 years
	Household waste recycling centres	300	Revenue - new investment to put base budget up to £1.2m
	Home composting	40	Funded by grant from DEFRA
More focus on tackling crime and it's impact on local businesses.	Improving security in local neighbourhoods	250	Capital - fitting gates to alleys
Community and voluntary organisations			

More long term funding for voluntary organisations	No additional funding available, move to commissioning.		
Providing more funding for all young people	Ready Steady Summer	50	Revenue - To provide a co-ordinated programme of activities for children and young people in all areas of the borough during the summer holidays 2006
	Youth service	100	Capital - building refurbishment
	Youth service	132	Capital - external funding
Roads maintenance	Local transport plan	5,599	Capital - maintenance of roads
	Town centre transport package	8,290	Capital - development of ring road
	Highways maintenance	1,535	Capital - additional investment
Shopmobility - council to fund running costs	Shopmobility running costs	50	Council currently has a revenue budget to fund running costs of this scheme.
Funding to LNP's to be maintained	New investment for LNP's	100	Revenue
Disability forum			
Communicate better and provide clearer information	Walsall Pride newspaper	Funding is available within the revenue base budget	
	Website developments	Funding is available within the revenue base budget	
	Contact centre	384	Capital - additional funding
Lack of recognition of resources within the voluntary and community sector			
Citizens Panel			
Roads and pavements	Local transport plan	5,599	Capital - maintenance of roads
	Town centre transport package	8,290	Capital - development of ring road
	Highways maintenance	1,535	Capital - additional investment
Fly-tipping	Funding is available within the revenue base budget		
Anti social behaviour	Ready Steady Summer	50	Revenue - To provide a co-ordinated programme of activities for children and young people in all areas of the borough during the summer holidays 2006
Street cleansing	Funding is available within the revenue base budget. Alternative ways of working.		
Increased spending on schools	Modernisation of schools	3,852	Capital - continued funding
	Schools access initiative	522	Capital - continues for all years
	Funding of new pupil places	916	Capital - continues for all years
	School building repair	3,000	Capital - second year of 2 year programme
	New schools	2,861	Capital - replacement schools
	Roof repairs	200	Capital - continued funding
	Boiler repairs	200	Capital - continued funding
Increased spending on recycling	Recycling initiatives	252	Capital - £515k over 2 years
	Household waste recycling centres	300	Revenue - new investment to put base budget up to £1.2m
	Home composting	40	Funded by grant from DEFRA
Increased spending on social care	New investment - adults	459	Revenue - learning disabilities and direct payments support.
	Major adaptations	3,897	Capital - adaptations to housing etc
	New investment - children	225	Revenue - relative and friend carer allowances and integrated childrens plan
	Disabled facilities	867	Capital - £347k mainstream and £520k funded via grant
	New build - Falling Heath contribution to PCT project	200	Capital - 2 year of 2 year programme. Partner funding also available
	New build - Beacon View contribution to PCT project	100	Capital - 2 year of 2 year programme. Partner funding also available

Cabinet Priorities used in formulating the Corporate Revenue Budget

Leisure and Culture Portfolio

The three main priorities for this portfolio are:

- Modernising the libraries service. We will be embarking on a long term programme to improve and modernise the network of libraries and the standard of service they can offer.
- Improving the management of green spaces. Our green spaces strategy will help us focus resources where they are most needed. We will also be ensuring better co-ordination of the various staff involved in maintaining and improving parks.
- Increasing attendance and use of all leisure facilities, libraries, sports centres, etc and promoting cultural activities.

Our Ready Steady Summer programme will remain an important programme of events for young people and this year we will be seeking further contributions from our partners.

The services in this portfolio will be delivering efficiencies in a number of areas including better administration, reducing sickness and more fee income from events.

Housing and Community Safety Portfolio

This coming year sees a need for the further consolidation of performance improvement from a recently merged housing function. Continued investment is required in the fast and timely management of adaptations and disability grant administration. Key provisions of the Housing Act 2004 commence in April 2006, including mandatory licensing of houses in multiple occupation and replacement of the current fitness standard with a housing health and safety rating system. Administration and application of both systems will present a serious challenge to colleagues aiming to improve housing standards in Walsall.

We also need to protect the maturation of our homelessness, housing advice and Supporting People services. The Supporting People programme is reaching the end of its implementation phase in April and the key challenges are to maintain and develop better services against an uncertain and reducing grant stream, and to join-up the programme with local partners to ensure that jointly commissioned services lead to better outcomes for service users. Investment in strategic housing critically supports the regeneration of Walsall by working with partners to create a range of quality housing environments that increase housing choice and contributes to sustainable communities.

The community safety priority is to reduce crime and the fear of crime. Next year much of this work will be delivered as part of the Local Area Agreement - funded by the council, other partners and through separate funding programmes such as the Neighbourhood Renewal Fund and the Safer Stronger Communities Fund. There will be a renewed focus on public reassurance and protection through a re-launched wardens service and new initiatives to encourage local people to play a leading role in the safety of their own neighbourhood.

Like all services the community safety service is identifying efficiencies and a specific change to the council's budget is an efficiency saving from changed working practices in the operation of CCTV.

Communities and Partnerships Portfolio

The priority of this portfolio remains the consolidation and development of local neighbourhood partnerships. The intention is that each LNP will prepare a local neighbourhood agreement (to reflect the priorities of the Local Area Agreement) setting out targets for their neighbourhood. These plans will be used to influence the spending of mainstream services and to attract funding for local projects.

Performance Management Portfolio

The key focus in terms of performance management is ensuring our underpinning corporate frameworks continue to deliver improved services for residents and other stakeholders in Walsall. 2005/6 saw the Council's CPA rating improve to 3 stars and "improving well", and we are keen to build on this to deliver the best possible services we can with the resources available. With this outcome in mind, the Beacon Index has been realigned to more closely match corporate priorities and pledges. Monitoring results demonstrate stronger performance and a wide range of service improvements. The new Index will give us a clearer focus on progress against our priority outcomes, and the ability to respond more quickly to issues as they arise.

A new performance information system will bring further efficiencies and optimisation of the way performance data is obtained, analysed and use to drive forward improvement. Investment in 2006/7 is focussed on delivering such improvement in a range of services across the council. Considerable progress has been made within project management with the establishment of a project office and associated documentation. This work will ensure that projects are delivered on time and within budget. We are currently undertaking a review of the scrutiny function to ensure that its contribution to sound governance and performance improvement is optimised.

Resources Portfolio

The key focus for our financial management is ensuring our frameworks continue to deliver a balanced budget and sound finances during a time of transition for both Walsall Council and local government more generally. The changes to the national funding formula for local government have resulted in a more challenging budget for 2006/7 and the medium term. The MTFS has been revised to take this into account and the underpinning financial policies and guidance are in the process of being refreshed, and more closely aligned with our performance management frameworks to support the value for money and efficiency agendas. Balancing the 2006/7 budget has required the identification of savings throughout the council, some of which have been used for new investment as we take our transformation plan in a new direction.

In respect of the council's physical resources, the overriding issue for next year is the implementation of a 5 year asset management plan that will enable the efficient and effective use of assets, improve their condition, maximise our return on investment, and identify surplus assets for disposal to support an ambitious capital programme for future years. We are also working to improve access to public buildings and improve the customer and working environments. Some of our land holdings are intended to be used to achieve our regeneration aims, contributing to our wider local and regional strategic objectives.

Regeneration portfolio

The key priorities for the portfolio which are reflected in the council's budget are the continued focus on attracting and facilitating investment in a range of transformational projects within the town centre as the key economic driver of the borough; the revitalisation of our district centres in partnership with local communities; the creation of a stunning urban and natural environment; creating memorable gateways and corridors of growth and the development of new approaches to stimulating enterprise within the Borough. There will also be an increasing focus on ensuring that Walsall features prominently within policy formulation at both a sub regional and regional level, and that furthermore our local plans and strategies reflect the aspirations of both our community and partners.

Specifically it is proposed within the 2006/7 budget to provide new investment into a re-launched council led town centre management initiative, working closely with our partners, with the objective of developing a high quality approach to the management and promotion of our town centres. Another key feature is the provision of new investment to support the modernisation of our markets service so that we can re-establish the markets as a positive and viable attraction within our town and district centres.

Health and Social Care (Adults) Portfolio

The year ahead will be one where adult social care will be significantly affected by recent and imminent policy drivers. There is a strong central Government emphasis on performance improvement in key service areas and we will be consolidating the new structures and processes that have been put in place and taking further steps in reshaping many of the directly provided care services. This is critical to bring Walsall's performance in older people's services up to the same standard as other LAs. In addition, both health and social care arenas are being required to increase the independence and choice available to service users. Accordingly there is a significant resource allocated to the extension of direct payments across all Adult Services.

This year will also see the end or further reduction of a number of specific grants in areas such as Mental Health and Supporting People which will now require mainstream funding if the level of service is to be protected and maintained. The pattern of demand for Council services continues to grow and evolve and year on year increased investment is required in areas such as services for people with a learning disability.

Environment and Transport Portfolio

There are three main priorities next year for this portfolio:

- To address the historic under investment in infrastructure there will be increased investment in highways maintenance to address public concern about local road condition
- To promote recycling and greater environmental awareness. The council is letting a new contract for the management of household waste recycling centres, promoting a composting scheme, introducing textile recycling and moving forward to changes in household collection to enable higher levels of recycling
- To promote more effective and joined-up enforcement. Many council staff are involved in enforcing environmental standards in Walsall. We will ensure this effort is truly co-ordinated to ensure real improvements, taking firm action against people who abuse our local environment.

All the services in this portfolio have rigorously addressed the need for efficiency savings. Substantial savings are planned in the Streetpride service as part of an improvement action plan. Other efficiencies have been identified in Planning and Transportation and the Public Protection service. Innovation to increase income is also demonstrated by the new scheme to promote commercial sponsorship of traffic roundabouts.

Corporate Support Portfolio

Within the context of the Local Strategic Partnership the council is seeking to give greater structure and emphasis to its commitment to address inequalities and a range of key strategies will be activated in the year ahead. Also we have a commitment to extend our mechanisms for service users and citizens to comment on the activity of the council and the services that we provide. There is a particular emphasis on the extension of the Citizens Panel and improving the council's complaints procedure. Highly effective procurement is fundamental to the transformation of the council and significant work will take place to seek savings through improved procurement processes. Finally, we need to refresh our approach to major emergency planning and ensure that all appropriate measures are in place to protect business continuity of key services and that we are properly resourced and prepared for our responsibilities under Civil Contingency legislation.

Children's Services Portfolio

Children and young peoples services face a challenging future as integrated services strive to meet the requirements of the Children Act 2004 and the 5 outcomes for children as set out by the 'every child matters' agenda. The statutory children and young people's plan due for publication in April 2006 will set out Walsall's response and will identify the main priority areas for services improvement.

The priorities for children's social care are to support further improvement from a strategy set out in 2002/3 which linked investment in preventive services with reductions in the numbers of children needing to be looked after by the local authority (LAC), and savings in the numbers of costly independent placements. This successful strategy has delivered year on year reductions in numbers of LAC and savings realised from reducing the numbers of children receiving services outside the borough. This has been possible by working with partners to invest in good quality local services and achieving efficiencies through joint working and integration.

The current budget setting process has been driven by this strategy. However, in order to realise the level of savings required in 2006/7 and beyond it has been necessary to accelerate its delivery. This set against comprehensive service change will mean that risks to children must be carefully managed. For example, there will be a reduction in social work posts to achieve a saving in excess of £0.3m and an acceleration of the programme to return children from out of borough placements to achieve savings of £0.14m in more efficient procurement and £0.4m in placement costs. There will therefore be a need to prioritise allocation of cases to ensure the support is available to children experiencing change so that this does not cause unnecessary disruption. Such disruption can, if not closely managed, cause multiple placements for children, exhausting local provision, affecting morale of staff and carers and tipping budgets into a spiral of overspend.

A risk assessment has been undertaken and shared with councillors during the budget process. Managers will work hard to maintain recent and rapid improvement in this area.

Youth services will continue to implement the agreed programme of development in response to the inspection of 2005, with the re-inspection taking place at the end of January. Considerable work has been done to improve the quality of the Youth Service and the range of social education on offer to young people in the borough.

2006/7 will be a year to consolidate and embed the improvements in the service. Resources will also be invested in the refocusing of the Youth Service to contribute to the Youth Matters proposals and the Every Child Matters outcomes.

Some examples of how our pledges are funded in 2006/7

Ensure a clean and green borough

1. we will reduce litter and dog fouling by issuing more spot fines

	£k
Part of the service improvement plan for 6/7 - within public protection revenue base budget	Within 63k base budget

2. we will increase the amount of household waste that is recycled or composted to 27.5%, setting an example by launching recycling schemes for all council buildings, and providing at least 300 more home composting kits.

	£k
New recycling initiatives – capital	252
Household waste recycling centres - revenue	500
Home composting – revenue £40k grant plus current base	40
Recycling of textiles – income generation	20

Make it easier for people to get around

3. we will improve the condition of the highway network by surface treatment 55km (35 miles) of the borough's roads

	£k
Local transport plan – capital	5,599
Highways maintenance - capital	1,535

4. we will reduce congestion by beginning construction of the ring road around Walsall town centre

	£k
Town centre transport package - capital	8,290

Ensure all people are safe and secure

5. we will ensure that people in all parts of the borough feel safe in their homes by improving security including gates, fencing and lighting

	£k
Strategic gateways and corridors – capital programme	350
Improving security in local neighbourhoods – capital programme	250

6. working with our partners, we will develop and deliver a programme of stimulating and existing and exciting summer activities for our children and young people

	£k
Ready Steady Summer – revenue - bids for external funding have also been submitted	50

Make our schools great

7. we will increase the number of children getting 5 GCSE A* - C grades including Maths and English

	£k
Additional education funding via dedicated schools grant – revenue	DSG

8. we will increase the number of 11 year olds achieving level 4 or above in English by 4% and in Maths by 7%

	£k
Additional education funding via dedicated schools grant – revenue	DSG

Make Walsall a healthy and caring place

9. we will increase the number of vulnerable households living in decent homes in the private sector to 67.7% of all vulnerable households

	£k
Stock condition survey and housing market renewal – capital	400
Energy Efficiency officer to support decent homes standard - revenue	40

10. we will reduce the conception rate for under 18 year olds by 16.7% compared to 2003 levels

	£k
Local area agreement – external funding	200

Encourage everyone to feel proud of Walsall

11. we will spend £3m on improvements to our school buildings

	£k
School building repairs - capital	3,000

12. we will make improvements to our libraries, including Forest Gate (New Invention) Aldridge and Brownhills

	£k
Continued funding to keep public access computers in libraries up to date - revenue	53
Brownhills library – capital	60

Make it easier to access local services

13. we will make our planning services available 24 hours a day, through the internet

	£k
This pledge will be contained within the service improvement plan for 2006/7 and funded via the base budget	Base Budget

14. we will support people with disabilities by increasing the proportion of small items of occupational therapy equipment delivered within 7 working days of the assessment of need

	£k
Funding within the capital programme for aids and adaptations	3,987

Strengthen the local economy

15. we will establish a town centre management scheme in Walsall town centre and deliver key improvements in our district centres of Brownhills, Aldridge, Willenhall, Bloxwich and Darlaston

	£k
Town centre management - revenue	50

16. we will work with our partners to ensure new development maximises economic and educational opportunities for the residents of the borough

	£k
Capital programme contains new funding for environmental regeneration, Walsall town centre realms improvement, regenerating Walsall and central revitalisation projects	1,730

Listen to what local people want

17. Local Neighbourhood Partnerships will each individually identify three specific environmental improvements, important to their area, to support Local Area Agreement

	£k
Additional funding for LNP projects - revenue	100

18. we will actively support the involvement of young people in the work of the council through Youth Opinions Unite, and ensure there is a minimum of 10 meetings a year between councillors, council officers and young people

	£k
External funding has been approved to meet this pledge	50

Transform Walsall into an excellent local authority

19. we will work with partners: with Centro to improve the public transport infrastructure including local bus shelters, and with the Fire Service to reduce accidental fires and arson

	£k
An element of Walsall capital allocation is provided to Centro to deliver the above. In addition, there is funding in the current budget for a secondment of a fire risk assessment officer to work with Walsall to reduce accidental fires and arson	Base budget and Centro budgets

20. we will improve the provision of information about our services to local residents, making sure it is helpful, accurate and reliable, using Walsall Pride and other innovative ways

	£k
Walsall Pride – revenue	Base budget
Website developments – revenue base budget	Base budget
Contact Centre – capital programme – additional funding	384

SUMMARY OF DRAFT CORPORATE REVENUE BUDGET 2006/7

SERVICE / LEVY ETC.	2005/6 BASIC FORECAST £000	INFLATIONARY PRESSURES £000	PAY RELATED CHANGES £000	OTHER CHANGES £000	BASIC FORECAST 2006/7 £000	FYE OF 2005/6 APPROVED SAVINGS £000	FYE OF 2005/6 APPROVED INVESTMENT £000	NEW SAVINGS & EFFICIENCIES £000	NEW INVESTMENT £000	FORECAST 2006/7 INCL. SAVINGS & INVESTMENT £000
Corporate services	12,763	392	716	2,022	15,892	40	0	-1,146	300	15,087
Social care & inclusion	61,904	1,403	1,251	-274	64,284	-350	1,125	-1,848	588	63,799
Children & young people	216,829	11,600	511	-157,691	71,250	0	0	-1,285	225	70,190
Neighbourhood services	66,630	1,091	2,220	-1,131	68,810	-22	349	-3,174	390	66,353
Regeneration	2,657	25	92	-11	2,763	0	0	-510	260	2,513
SUB TOTAL SERVICES	360,784	14,510	4,789	-157,085	222,999	-332	1,474	-7,961	1,763	217,942
Capital Financing	13,308			1,430	14,738	0	0	-100	0	14,638
LESS: Capital Charges	-42,306				-42,306	0	0	0	0	-42,306
Non-service specific prudence/central items	174			537	711	0	0	0	0	711
SUB TOTAL CENTRAL ITEMS	-28,825	0	0	1,967	-26,858	0	0	-100	0	-26,958
Levies:										
PTE (% increase to be advised)	12,235	322	0	0	12,557	0	0	0	0	12,557
Environment Agency	79	4	0	0	82	0	0	0	0	82
NET REVENUE EXPENDITURE	344,273	14,836	4,789	-155,118	208,780	-332	1,474	-8,061	1,763	203,624
(Use of)/contribution to reserves	-1,803		0	2,158	355	0	0	0	0	355
GRAND TOTAL BUDGET REQUIREMENT	342,470	14,836	4,789	-152,960	209,135	-332	1,474	-8,061	1,763	203,979

Other changes include all other budgetary adjustments required that are not pay or inflation related, such as:

- Grant related - for example this year includes new dedicated schools grant (DSG) formerly funded through RSG. (DSG is a specific grant which reduces the net budget requirement)
- Corporate financial pressures - for example re-profiling of income due from right to buy receipts, review of treasury management interest rates, contributions to and from reserves

Levies are subject to final notification

2006/7 FULL YEAR IMPACT OF APPROVED 2005/6 INVESTMENT

INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	ANNUAL NET COST					DETAILS OF HOW THE INVESTMENT MEETS THE COUNCIL'S VISION PRIORITIES	CONSEQUENCES / RISK OF NOT APPROVING BID
		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000		
	SOCIAL CARE AND INCLUSION							
A	Client demand learning disabilities - new identified growth 05/6 To be spent on a range of new services to include supported living, home care, day care etc	368	368	368	368	368	Ensuring that vulnerable adults with learning disabilities are safe and secure and their assessed needs are met.	Existing demand continues to increase - failure to fund new demands will result in new packages of care not proceeding and support to citizens not met. In addition the CSCI view that services in Walsall for people with learning disabilities was excellent will be maintained if this bid is approved.
B	Home treatment services - mental health Reconfiguration of assertive outreach team, mental health crisis team - shift towards home treatment - compliant with Strategic Health Authority (SHA) and National Services Framework (NSF) regs - approved social work requirement for out of hours. This will pay for new star workers to release social worker posts.	10	10	10	10	10	Ensuring needs of those with serious mental illnesses are met.	This is a national requirement and Walsall has been highlighted by the strategic health authority as failing to comply with national guidance. There is an improvement target associated with this. Any failure will result in a negative assessment.
C	Fall out of mental health grant Shortfall of Mental Health Grant based on changed national formula - leads to a cut in mainstream resources.	42	85	85	85	85	Improving performance and outcomes for those with mental health problems.	As the formula for this grant has been reconfigured Walsall's allocation will be reduced year on year. If the reduction is not replaced by new resources, directly delivered services will be reduced as they rely on this as part of their core funding.
D	Mental health social worker posts 3 social workers at West Community Mental Health Team for Older People (CMHTOP), Central CMHTOP and East CMHTOP - specialist service for OP with MH needs.	23	23	23	23	23	Ensuring older people with mental health problems and dementia receive services to meet their needs.	Insufficient social work support at CMHTs for older people.

INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	ANNUAL NET COST					DETAILS OF HOW THE INVESTMENT MEETS THE COUNCIL'S VISION PRIORITIES	CONSEQUENCES / RISK OF NOT APPROVING BID
		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000		
E	Supporting people contractual and commissioning support Contractual support to ensure supporting people (SP) programme can continue to be delivered.	7	7	7	7	7	This will help the council spend more money on helping people stay in their own home and improve the services they receive.	Will not be able to commission underspends from 03/04 - convert ODPM contracts to new contracts, will not be able to fund the full SP budget.
F	Contract management of agency staff contract Contract manager to monitor agency staff contracts to be implemented in 2004.	7	7	7	7	7	This will deliver better value for money and secure safe contracts for the provision of agency staff which ensures service continuity for vulnerable people.	Will not get best value from the contract. Contract quality will be at risk.
G	Home care contract monitoring Contract officer staff to monitor core and additional quality standards.	34	34	34	34	34	This will ensure vulnerable people receive safe and effective home care services and also that the council receives value for money.	Must respond to user survey, additional contract standards.
H	Commissioning support - PDSI Final post to complete all commissioning development officers for all client groups - 20 hours residual hours across whole service.	6	6	6	6	6	Social inclusion will be enhanced by ensuring that services to people with sensory disability and sensory impairment are developed to better meet their needs.	No support in commissioning to this client group.
I	Direct payments support Funding support - contracting for direct payments.	6	6	6	6	6	This will provide help for people to manage their direct payments for services which helps them choose and fund their own services.	Unable to deliver government targets for direct payments.
J	Agency staff clearing house Co-ordination of agency staff placements in line with new contracting arrangements - admin staff	10	10	10	10	10	Necessary for effective administration of the employment of agency staff.	Purchasing would revert to managers which would not be co-ordinated and increase risks of non compliance with new contract arrangements.

INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	ANNUAL NET COST					DETAILS OF HOW THE INVESTMENT MEETS THE COUNCIL'S VISION PRIORITIES	CONSEQUENCES / RISK OF NOT APPROVING BID
		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000		
K	Improvement plan In 2003/04 it was planned that a number of costs contained within the social services improvement plan would fall out. This has not proved possible so this now generates an additional pressure.	325	325	325	325	325	Ensure appropriate skilled & qualified managers are retained within the service area.	The improvement plan involved recruitment to a number of key senior management posts which would need to be deleted if this investment is not approved.
L	Additional housing support workers - supported housing Additional housing workers to increase Walsall's number from 2 to 5.	30	30	30	30	30	Ensuring vulnerable adults receive high quality and timely advice.	Failure to demonstrate significant improvement in performance & investment in the governments prevention agenda at a time when the service is judged to be a poor service.
M	Homelessness prevention strategy Full year effect of bids for new technology to speed up info gathering, homelessness prevention fund - new post proactive 'home visiting' prevention officer, mediation service and expansion of rent scheme.	15	15	15	15	15	Reducing causes of homelessness. Intended to develop tools to respond to the homelessness prevention agenda and provide an effective advice service.	Unable to deliver plan in the homelessness strategy & increased homeless applications.
N	Additional costs of occupation of additional accommodation - SC&I Covers a variety of accommodation related issues, Lime House, Tameway Tower due to increased costs of rent, rates, service charges etc.	25	25	25	25	25	This investment in accommodation will provide enhanced facilities for staff and service users making it easier for people to access services and encouraging staff and citizens to feel proud of Walsall.	Inadequate accommodation to meet service requirements - some staff are in buildings which are not fit for purpose.

INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	ANNUAL NET COST					DETAILS OF HOW THE INVESTMENT MEETS THE COUNCIL'S VISION PRIORITIES	CONSEQUENCES / RISK OF NOT APPROVING BID
		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000		
O	Supported people admin grant Fall out of SP grant - investment required to sustain level of staffing within SP team in to the future pending a Government review of SP admin.	180	309	309	309	309	Supporting people service helps hundreds of citizens remain in their own homes & enjoy more choice. The ODPM reduces the grant for support services each year even though the demand for support increases, this funding will ensure that the supporting people service continues to ensure choice.	Loss of core funding.
P	Energy efficiency officer Requirement by GOWM to undertake energy efficiency work for the council. We currently do not have a dedicated resource or the skills and knowledge to undertake more focused energy efficiency work.	10	10	10	10	10	Targeted work by an energy efficiency officer will help more vulnerable people live at home and help the council meet the decent homes target for the private sector.	Failure to employ a specialist officer could impact on our housing inspection score and on meeting our 2008 vision.
Q	Introduction of a 6 place supernumerary disability scheme Establishment of a supernumerary scheme for people with a disability in order to address poor employment performance.	18	18	18	18	18	Increase the councils BVPI 16a - employing people with a disability.	The authorities profile of employing people with a disability remains low and may hinder the authority's attempt of becoming an excellent council - not achieving or exceeding current BVPI target.
R	Freedom of information act (FOI) - permanent post To establish a dedicated resource to co-ordinate responses to FOI requests in line with tight statutory timescales; to continue training and awareness raising within the council; to make further improvements in the records management systems.	9	9	9	9	9	To meet a new statutory obligation to provide a wide range of information held by the council on request, in line with the act and related guidance. Relates closely to the council priority to make it easier to access local services - and information about those services.	The council must fulfil its new statutory obligations - the Information Commissioner has a range of powers to require councils failing to deal with FOI effectively to take urgent action. Risk of damage to the council's reputation locally and nationally.
	TOTAL SOCIAL CARE AND INCLUSION	1,125	1,297	1,297	1,297	1,297		

INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	ANNUAL NET COST					DETAILS OF HOW THE INVESTMENT MEETS THE COUNCIL'S VISION PRIORITIES	CONSEQUENCES / RISK OF NOT APPROVING BID
		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000		
	NEIGHBOURHOOD SERVICES							
S	Increase in landfill tax Landfill tax will increase by £3 per tonne until a ceiling of £35 per tonne is reached.	255	785	1,190	1,590	1,590	Contributes to ensuring a clean and green borough.	Spending on landfill is unavoidable and without growth the existing budget would be overspent. Impact on BVPI 86 and 87
T	Disposal of garden refuse Contractual arrangements will see the introduction of a gate fee for the disposal of green waste. The cost assumes arrangements continue following the end of the existing contract (2006/07).	40	80	80	80	80	Contributes to ensuring a clean and green borough.	Potential impact on BVPI 82b, 82d, and 87. Overspend on existing provision for waste disposal. Impact on statutory recycling and composting target.
U	Anticipated growth in tipping Growth has averaged 1.9% over the past three years.	40	85	130	175	175	Contributes to ensuring a clean and green borough.	Overspend on existing budget provision for waste disposal.
V	Walsall outdoor adventure centre Outdoor adventure centre, via new opportunities funding (NOF) 3 scheme. Facility based on Aldridge airport site. 400k grant has been approved.	2	4	6	8	8	The investment will enable children and young adults to have access to facilities that are not available at the moment in the borough. The new facility will be an asset to people of the borough.	Building and service cannot progress and £400k of funding will be lost.
W	Replacement of flexible learning centres pc's (172) on a 3yr cycle To keep public access computers in libraries up to date. 19 libraries in the borough - 3 computers in small libraries & 10-16 in large libraries. Government standard is 6 computers available per 10,000 of the population.	23	28	22	22	22	Giving residents access to IT facilities is a key priority. It will improve skills and enable them to access online services.	Poor facilities, potentially under used, unable to meet standards.

INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	ANNUAL NET COST					DETAILS OF HOW THE INVESTMENT MEETS THE COUNCIL'S VISION PRIORITIES	CONSEQUENCES / RISK OF NOT APPROVING BID
		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000		
X	Increase in number of properties requiring domestic refuse collections Growth in number of domestic properties.	5	15	20	30	30	Contributes to ensuring a clean and green borough.	An overspend could occur which would need to be managed from elsewhere within the budget.
Y	Mortuary accommodation - winter provision To meet a proportion of the cost of providing temporary additional mortuary accommodation during the winter periods attributable to the use of the facility by the coroner.	2	0	0	0	0	Ensures that the coroner is able to carry out his responsibilities with the minimum of distress to residents and maintain the required level of service throughout the year.	Mortuary accommodation might not be available - council could be in breach of statutory responsibility. Poor image of council.
Z	Schools Catering Reduction in significant investment of £371k approved in 2005/6 as it was anticipated that in year 2 (2006/7), the PSE would achieve efficiencies and / or increased levels of income.	-50	-71	-71	-71	-71	Increased efficiencies are important in achieving savings and efficiencies required through the Governments Gershon agenda.	None directly
AA	Black Country Study - Increase in investment was only needed for 2 years.	0	-188	-188	-188	-188	N/A	None directly
AB	Music Support Grant Anticipated fall out of music service standards fund income.	0	607	607	607	607	N/A	None directly

INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	ANNUAL NET COST					DETAILS OF HOW THE INVESTMENT MEETS THE COUNCIL'S VISION PRIORITIES	CONSEQUENCES / RISK OF NOT APPROVING BID
		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000		
AC	New licensing laws for public houses - funding of licensing team Personal licence now req'd, renewable every 10 yrs and one-off premises licence covering the life of the business. Funding req'd to finance the operation of the team.	32	32	32	32	32	Ensure council able to comply with statutory licensing requirements and licensing team able to provide high quality service to its customers.	Inadequate funding will inhibit the ability of the council to comply with statutory requirements.
	TOTAL NEIGHBOURHOOD SERVICES	349	1,377	1,828	2,285	2,285		
	TOTAL	1,474	2,674	3,125	3,582	3,582		

SUMMARY OF FYE OF APPROVED 05/6 INVESTMENT	2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000
Social care & inclusion	1,125	1,297	1,297	1,297	1,297
Children & young people	0	0	0	0	0
Regeneration	0	0	0	0	0
Neighbourhood services	349	1,377	1,828	2,285	2,285
Corporate services	0	0	0	0	0
TOTAL	1,474	2,674	3,125	3,582	3,582

NEW INVESTMENT

INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	ANNUAL NET COST					DETAILS OF HOW THE INVESTMENT MEETS THE COUNCIL'S VISION PRIORITIES	CONSEQUENCES / RISK OF NOT APPROVING BID	MEASURABLE EFFECT ON KEY INDICATORS (REGIONAL & NATIONAL COMPARATORS, BVPIs)
		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000			
	SOCIAL CARE AND INCLUSION								
1	Fall out of asylum grant - supported housing. Income received via Birmingham Consortium ceased on the 31.12.05. All direct variable expenditure has been stopped however a small amount of fixed overheads funded via this income cannot cease.	80	80	80	80	80	Funding will assist in the maintenance of care across all client groups.	If unsuccessful supported housing service will need to identify an additional £80k worth of savings.	N/A - service ceasing
2	Learning disabilities (LD) - client demand growth future years To meet demographic changes incl. 1% growth of LD population, increasing dependency and survival rates. More than 9 school leavers in 06/07 will need funding for help to live at home, support to access community, day services, short breaks & 24 hour support packages. In addition, this will fund an increase in dementia support to 14 new clients per year.	350	1,068	1,660	2,375	3,450	Helping people to live at home with care packages tailored to meet their needs and providing more choice about where they live. This addresses important government targets and indicators.	Not offering services to vulnerable clients, not meeting legislative requirements. Will not meet statutory duties. Could lead to risks to welfare of vulnerable adults, legal action, bad publicity/enquiry. No new placements or care packages would be made - people left at risk. Children reaching 18 evicted from residential placements or college.	PAF B11(DIS 2124), PAF C28(BV53, DIS 2123) KT, PAF C30(DIS 2215), PAF C51 (BV201, DIS3323) KT, PAF C62(DIS 2714), PAF E50 (DIS2144), DIS 2147, DIS 2211, DIS2212, DIS 2213, DIS 2214, DIS 2210. PAF C28 and C30 are key indicators regarding increasing intensive home care and helping more people with learning disabilities to live at home. If this is not approved, then these indicators could be adversely affected.
3	Direct payments financial auditors (1.5 FTE) & infrastructure support 2007/8 onwards Increase in payments has meant an increased need for control of spend. Figures for 05/6 suggest payments will total c £1m. To reduce risk we propose to bring in reviewing officer posts whose job purpose will be to follow a specific audit procedure as identified in the care plan which includes any unspent payment being clawed back.	9	29	60	102	155	Green paper requirement to increase direct payments to empower users.	Negative on PI's, achievements etc. Higher level impact of risk of public monies being mis-spent.	Direct payments is a performance indicator for Walsall Council. Increased numbers of individuals receiving direct payments will increase our blob ratings from 3 to a 4.

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		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000			
4	Direct payments support service (adults) As recipients increase the annual cost of paying for a support service (DIAL/Pendererlls) will increase. While DP care services can be funded out of purchase budgets, the support costs are an additional cost.	100	150	150	150	150	Green paper requirement to increase direct payments to empower users.	Negative effect on PI's ; achievements etc. Supporting people programme will be at risk (£7.4m grant).	PAF C52
5	Systems and administrative support to i-procurement team To support development of system and assist in delivering the oracle procurement savings.	49	49	49	49	49	Generating procurement efficiencies and allowing redistribution of savings back into front line services.	Inability to maintain system, develop system and deliver full savings target.	Contribution to delivering Gershon efficiency targets.
	TOTAL SOCIAL CARE AND INCLUSION	588	1,376	1,999	2,756	3,884			
	CHILDREN AND FAMILIES								
6	Contact and transport payments Contract and support payments.	40	40	40	40	40	Enables reunification of child with their family. Reduces numbers of looked after children.	Fail to comply with court ordered contact - risks court intervention to force Walsall to comply.	Reduces numbers of LAC, contributes to PAF A1 (KT) stability of placements and PAF D35 long term stability
7	Planning support to produce integrated children's plan Planning support to meet statutory requirements to produce, review and publish annually an integrated children's plan.	35	35	35	35	35	Meeting children's needs.	Statutory requirement to produce an annual plan from April 2006. Failure to meet statutory requirement impacts on performance assessment.	Ensuring we enable children to succeed in 'every child matters' outcomes and related performance indicators.

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		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000			
8	Relative and friend carer allowances We currently pay differential rates to stranger carers, as compared to relative & friend carers. This is to bring relative & friend allowances in line with other foster carers. The investment will enable this to be undertaken but does not take into account other one off payments, which foster carers can claim for.	150	150	150	150	150	Ensure young people are safe and secure; Listen to what people want and need	Inability to bring relative and friend allowances in line with other foster carer allowances.	A1 Stability of placements for LAC, B8/10 cost of service for LAC and D35 long term stability of LAC
	TOTAL CHILDREN AND YOUNG PEOPLE	225	225	225	225	225			
	REGENERATION								
9	Town Centres Management (TCM) The proposal is for the establishment of a new TCM team to develop and deliver an integrated high quality approach to the management of Walsall Town Centre and the key district centres.	50	50	50	50	50	Co-ordination & facilitation to ensure maintenance in the town & district centres is achieved to the highest standards. Contribute to the achievement of vibrant & attractive town centres. Significantly contributing to the attraction of private investment into the town centre. Seek to respond to views of town centre users, visitors and businesses.	Potential loss of retailer and investor confidence in the town centre if the council does not use its best endeavours to secure TMC.	N/A
10	Local Neighbourhood Partnership's (LNPs) To enable LNPs to continue work started in 2005/6 to implement their local neighbourhood plans by funding local projects.	100	0	0	0	0	The priorities for many LNPs is to address local concerns about safety and the quality of the local environment.	LNPs ability to address local concerns will be compromised.	Projects in these areas will make a positive contribution to the performance targets in the Local Area Agreement to reduce crime and the fear of crime, promote community engagement and tackle vandalism, graffiti and other environmental damage.

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		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000			
11	Walsall Markets This proposal will enable the service to be modernised with a view to increasing income in future years. This proposal builds on the outcome of the recently completed markets review.	110	110	50	50	50	Contributing to achievement of vibrant and attractive town centres. Significantly contributing to the attraction of private investment into the town centres and encouraging existing investors to remain and further invest.	It will affect the ability of the service to be transformed which is a key council pledge.	None directly
	TOTAL REGENERATION	260	160	100	100	100			
	NEIGHBOURHOOD SERVICES								
12	Traffic signal maintenance Costs of maintaining traffic lighting infrastructure.	25	25	25	25	25	New urban traffic control and traffic management investment will deliver major improvements to management of network and facilitate meeting the priority of making it easier for people to get around. It will also assist with easing congestion thereby reducing the cost to business and the local economy.	Detrimental impact on BVPIs and congestion, and potential increase in road traffic accidents.	Additional investment will assist in maintaining and improving BVPI performance.
13	Highways maintenance procurement strategy The provision of highways maintenance in the borough is in need of a fundamental review and this money would facilitate a detailed options appraisal.	0	100	25	0	0	A review will have the joint aims of improving efficiency & delivery of the highways maintenance programme, meeting the aspirations of the public & members & comply with DfT /ODPM requirements to achieve the necessary approval in CPA.	Inability to improve efficiency, deterioration in service delivery and a detrimental impact on highways maintenance improvements and CPA.	Improved performance against statutory BVPI and LPI's for highway condition and maintenance. Compliance with ODPM guidelines and meeting recommendations of council CPA/Environment CPA inspection.

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		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000			
14	Household waste recycling centres A new contract will run for 5 years, 01.05.06 to 31.03.10. It will include the day to day management of 2 household waste & recycling centres & a transfer station.	300	300	300	300	300	The implementation of the scheme will contribute to 'ensuring a clean & green borough' and to significantly increasing the rates of recycling and composting over the short, medium and long term to meet government targets and reduce waste to landfill. Achieve government target of 25% for waste materials that are recycled & composted.	Failure to meet council pledge and Government targets.	BV82A, BV82B. In 04/5 approx. 80,000 tonnes of municipal waste handled at the transfer station & 30,000 tonnes at 2 recycling centres – of which 40% was recycled or composted & a further 20% re-used / recovered. We are encouraging prospective contractors to provide innovative ways of increasing recycling as part of the process with targets of 55% in 2006/07 and a minimum of 60% in yr 2 of the contract.
15	Home Composting This investment would offer an estimated 8,000 home composting units to residents. Funded via DEFRA grant for 2006/7 only.	0	40	40	40	40	The garden waste collection service is in high demand from residents across the borough. 'Ensuring a clean & green borough' pledge to significantly increase the rates of recycling and composting over the short, medium and long term to meet government targets and reduce waste to landfill. Achieve government target of 25% for waste materials that are recycled & composted.	Introduction of the Landfill Allowance Trading Scheme (LATS) regulations within the Waste and Emissions Trading (WET) Act 2003 - waste disposal authorities face penalties if they do not limit the amount of biodegradable waste going to landfill. Councils will be allowed to send decreasing percentages of waste to landfill, with surplus waste being fined £150 per tonne over allowance.	BV82A & BV 82B. Gov. waste strategy aims to minimise the production of waste & either recycle or compost as much of the remaining waste as is practicable.
16	Streetly cemetery Environment Agency requires on-going ground water monitoring (@ approx. £15k pa) for the cemetery to continue to accept burials. This is to protect drinking water from contamination. In order for the Streetly Cemetery extension to go ahead there will need to be on-going monitoring carried out.	15	15	15	15	15	Meeting ground water standards thereby ensuring a clean and green borough and maintaining appropriate standards of drinking water thereby keeping people safe.	The Council has almost no capacity for Muslim and general burials at Streetly. The Cemetery will have to be closed for new burials if the Council cannot develop the land earmarked for this purpose.	None directly

INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	ANNUAL NET COST					DETAILS OF HOW THE INVESTMENT MEETS THE COUNCIL'S VISION PRIORITIES	CONSEQUENCES / RISK OF NOT APPROVING BID	MEASURABLE EFFECT ON KEY INDICATORS (REGIONAL & NATIONAL COMPARATORS, BVPI5)
		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000			
17	Ready Steady Summer To provide a co-ordinated programme of activities for children and young people in all areas of the borough during the summer holidays 2006. The programme aims to alleviate the boredom of the summer holidays and channel young people into positive activity, thus offering positive opportunities which will improve and enhance life experiences.	50	50	50	50	50	The programme contributes to almost all of the Council's priorities but in particular it impacts on reducing crime, increasing young people's access to services and in making our schools great.	In the previous 3 yrs (2002-05), the summer activities programme has been jointly funded by Walsall MBC & the WBSP. Commitment of the WBSP has now come to an end. Failure to fund this will result in loss of previous improvements and benefits to young people.	22% of target audience (8 - 19 yrs) engaged. Target was 15%. 17.46% drop in crimes assoc. with young people equating to a massive 46.29% drop since 2002 (when there was no scheme running), 55.56% drop in hoax / malicious calls since last year. Not only has crime over the summer period dropped dramatically, August 2005 was in fact the month with the lowest number of youth crimes recorded all year.
	TOTAL NEIGHBOURHOOD SERVICES	390	530	455	430	430			
	CORPORATE SERVICES								
18	Strategic Transformation/Change A small focussed team will lead on the council's ongoing transformation, continuous improvement, efficiency and value for money agendas. Key support services that will continue to provide & develop the enabling infrastructure such as organisational development, e government and human resources will also have line management responsibility here in addition to the management of specific projects.	300	300	300	300	300	The council's underpinning obligation is to ensure optimum use of resources to the benefit of residents and stakeholders, ensuring services and the infrastructure are efficient and effective. This liberates savings for investment in front line services, improvement and keep council tax levels as low as possible. The service focus is to identify and drive out savings and efficiency. This directly contributes to delivery of Gershon targets & demonstrates greater vfm.	Would reduce the level of savings and efficiencies, compromise value for money and the success of achieving excellence by 2008 and beyond.	Major contribution to Gershon efficiency targets. Contributes to improved CPA and BVPI performance directly through the use of resources element of CPA regime and indirectly in other inspection frameworks.
	TOTAL CORPORATE SERVICES	300	300	300	300	300			
	TOTAL	1,763	2,591	3,079	3,811	4,939			

SUMMARY OF NEW INVESTMENT	2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000
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INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	ANNUAL NET COST					DETAILS OF HOW THE INVESTMENT MEETS THE COUNCIL'S VISION PRIORITIES	CONSEQUENCES / RISK OF NOT APPROVING BID	MEASURABLE EFFECT ON KEY INDICATORS (REGIONAL & NATIONAL COMPARATORS, BVPIS)
		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000			
	Social care & inclusion	588	1,376	1,999	2,756	3,884			
	Children & young people	225	225	225	225	225			
	Regeneration	260	160	100	100	100			
	Neighbourhood services	390	530	455	430	430			
	Corporate services	300	300	300	300	300			
	TOTAL	1,763	2,591	3,079	3,811	4,939			

BUDGET - EFFICIENCIES

No	BUDGET EFFICIENCIES	ANNUAL NET COST					IMPACT ON STAFF No's	DETAILS OF EFFICIENCY	CONSEQUENCES / RISKS OF EFFICIENCY	MEASURABLE EFFECT ON KEY INDICATORS (REGIONAL & NATIONAL COMPARATORS, BVPI's)
		2006/07 £000	2007/08 £000	2008/09 £000	2009/10 £000	2010/11 £000				
	SOCIAL CARE AND INCLUSION									
1	Refocus and rationalisation of council's policy function to optimise our strategic approach to all policy-related activity.	-52	-100	-100	-100	-100	3	Some aspects of the council policy function are currently disbursed, this will consolidate and re-organise such activity.	Greater strategic focus on policy matters and ability to maximise opportunity.	No direct impact but strengthened corporate core.
2	Supported housing - reduce investment in repairs & refurbishment	-30	-20	-20	-20	-20	0	Continue to redirect existing homelessness staffing resources away from reactive to proactive housing advice, focusing on prevention.	Low risk to service of implementing savings - lack of investment in council's properties can lead to long term degeneration of accommodation. The service will look to the corporate asset management plan and strategy for delivery of accommodation improvements.	None.
3	Learning disabilities - reduction of respite block contract	-72	-72	-72	-72	-72	0	Renegotiation of block contract for respite provision. Reduction in contract from 3 beds to 2 in 2006/7 will create a saving of £72k.	Risk of increasing demand. If there was an unprecedented & unpredictable increase in demand for challenging behaviour this may result in expensive out of borough placements. Greater value for money when delivered.	Could increase admissions to residential care, PAF C26 & C27, including older people with older carers and reduce the number of people helped to live at home.
4	Strategic housing - Increase agency fee by 0.9%	-55	-45	-45	-45	-45	0	Increase agency fee by 0.9% to reflect costs.	Minimal.	None.
5	Reduce management layer in housing	-61	-61	-61	-61	-61	1	Refocus of function following recent appointments has enabled a vacant post to be deleted.	Greater value for money.	No direct impact.
6	Reprovisioning of older peoples services	0	-166	-166	-166	-166	0	Procurement savings from private sector.	Private sector may require a reduction in overall level of demand.	None.
7	Sharpened approach to corporate procurement activity	-100	-750	-750	-750	-750	0	Significant financial savings are possible from a more robust approach to procurement with corporate catalogues, revised contracts and further modernisation of processes.	Greater value for money. This will be continuously reviewed to enable more challenging targets to be achieved.	Direct positive contribution to value for money element in use of resources aspect of CPA.

No.	BUDGET EFFICIENCIES	ANNUAL NET COST					IMPACT ON STAFF No's	DETAILS OF EFFICIENCY	CONSEQUENCES / RISKS OF EFFICIENCY	MEASURABLE EFFECT ON KEY INDICATORS (REGIONAL & NATIONAL COMPARATORS, BVPI's)
		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000				
8	Learning disabilities - termination of SLA with older peoples services	-74	0	0	0	0	0	Whilst there is an increasing demand for services for older people with learning disabilities their need is such that generic older persons services have not been able to meet this need. As older persons services face additional demands work will now be completed by the end of March 2006 to identify appropriate services for future development.	Would restrict our development of older peoples services for adults with learning disabilities.	No impact on indicators - no activity generated.
9	Younger adults - reduction in posts.	-38	-38	-38	-38	-38	1	Delete two team manager posts currently vacant within structure and create an additional service manager post.	Reduce flexibility by not allowing resources to be switched to front line service provision. This creates a shortfall in front line managerial capacity which, in a newly established service area, increases the risk of poorer performance in key areas such as assessments, reviews, services for carers. Puts at potential risk current ongoing service improvements which may not be able to be sustained.	Potential adverse effects on indicators B11, C27, C29, C51 (KT1), C62, D40 and (KT1), C28 (KT1), C29, C32, D54 (KT1), D55 (KT1), and D56 (KT1). Increasing delivery times for equipment. Increasing residential and nursing admissions. Decreasing intensive homecare. Decreasing people helped to live at home. Increasing waiting times for assessments.
10	Support services - domiciliary care FYE of procurement efficiencies	-75	-150	-150	-150	-150	0	Domiciliary care fye of procurement savings.	Improved value for money.	Value for money element of use of resources in CPA.
11	Support Services - departmental budget, publicity and promotions.	-23	-23	-23	-23	-23	0	Publicity and promotions - £2k, Allens Centre accom general running costs- £1k, Tameway Tower general running costs- £3k, support service budget reduction in funding for building maintenance - £15k, transport cost centre budget £2k.	Potential for a reduction in awareness of service users with regard to availability of services.	None

No.	BUDGET EFFICIENCIES	ANNUAL NET COST					IMPACT ON STAFF No's	DETAILS OF EFFICIENCY	CONSEQUENCES / RISKS OF EFFICIENCY	MEASURABLE EFFECT ON KEY INDICATORS (REGIONAL & NATIONAL COMPARATORS, BVPI's)
		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000				
12	Mental health - reduction in posts in adult services	-60	-60	-60	-60	-60	2	Removal of housing support post and community support worker post.	Removes the post in mental health dedicated to housing which may result in a change of role for other staff and/or a delay in securing appropriate housing for service users, particularly those waiting for discharge from hospital. Reduces the number of support workers by one, thus increasing the workload for other community staff, particularly support time and recovery workers.	Potentially adversely affects on performance indicator C31 adults with mental health problems helped to live at home.
13	Re-configure centralised risk pool	-85	-85	-85	-85	-85	0	Pool set up to manage unplanned variations will be eliminated.	By fully allocating all budgets any unplanned variations will require changes to services budgets.	None directly.
14	Health & safety budget efficiencies	-45	-45	-45	-45	-45	0	Central funding of health and safety items will stop.	Some health and safety items may not be affordable.	None directly.
15	General efficiencies - agency staff	-65	-65	-65	-65	-65	0	Replacement of agency staff with substantive posts.	May affect flexibility and council may carry higher operational overhead.	None directly.
16	Team Walsall (TW)	-92	-92	-92	-92	-92	0	Generation of external funding to make TW self funding.	Failure to generate sufficient funding may result in budget pressure requiring reduction in number of posts (2).	None directly.
17	Learning disabilities - re-provision & restructure	-120	-120	-120	-120	-120	0	Reconfiguration of re-provision process. Narrow Lane to be retained and brought back to full capacity. Re-provide existing placements at Fallings Heath then convert building to re-provide expensive out of borough placements and high cost specialist services as identified. Running costs to be funded by budget brought back from out of borough with estimated efficiency savings of £10K for each of 12 placements.	Will be viewed as structural & service re-provision rather than person centred, which needs to be balanced with the need to provide cost effective services, could lead to concerns from users, carers CSCI & valuing people. Due to the impact of change & individual need there is a chance that the efficiency saving may not be fully achieved.	Would improve cost / price related indicators but only if providers (internal & external) accept and sustain the savings. A significant change to the strategic intent resulting in greater residential care admissions PAF C26 (dis 2129) PAF C27 (DIS 2130) & PAF B12 (DIS 2125) and reduced support for Helped to Live at Homes PAF C30 (DIS 2215). If these indicators decline it could adversely effect Walsall's direction of travel.

No.	BUDGET EFFICIENCIES	ANNUAL NET COST					IMPACT ON STAFF No's	DETAILS OF EFFICIENCY	CONSEQUENCES / RISKS OF EFFICIENCY	MEASURABLE EFFECT ON KEY INDICATORS (REGIONAL & NATIONAL COMPARATORS, BVPI's)
		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000				
18	Learning disabilities - review of taxi arrangements	-20	0	0	0	0	0	Review taxi arrangements for short breaks & make appropriate change in policy in terms of entitlement linked to mobility component of DLA.	Needs to be managed to ensure service continues to reflect individual needs.	If carers withdrew from services it would impact upon PAF C30 (DIS 2215) helping people with learning disabilities live at home.
19	Younger adults - reduction in post	-32	-32	-32	-32	-32	1	Delete one social worker post from YADS social work team.	Reduce flexibility by not allowing resources to be switched to front line service provision. Reduces front line managerial capacity which, in a newly established service area could reduce performance in key areas such as waiting times for assessments, reviews, services for carers. Current ongoing service improvements may not be able to be fully sustained.	Potential adverse effects on indicators B11, C27, C29, C51 (KT1), C62, D40 and D55. Increasing delivery times for equipment. Increasing residential and nursing admissions. Decreasing intensive homecare. Decreasing people helped live at home. Increasing waiting times for assessments.
20	Younger adults - reduction in post	-32	0	0	0	0	1	Not to recruit to existing vacant fourth team leader occupational therapy post during 2006/7. Other three posts are filled on a permanent basis.	Reduce flexibility by not allowing resources to be switched to front line service provision. Reduces front line managerial capacity which, in a newly established service area could reduce performance in key areas such as waiting times for assessments, reviews, services for carers. Puts at risk current ongoing service improvements may not be able to be fully sustained.	Potential adverse effects on indicators B11, C27, C29, C51 (KT1), C62, D40 and D55.(KT1), D55 (KT1), and D56 (KT1). Increasing delivery times for equipment. Increasing residential and nursing admissions. Decreasing intensive homecare. Decreasing people helped live at home. Increasing waiting times for assessments.
21	Younger adults - reduction in post	-40	-40	-40	-40	-40	1	Delete 1 social worker (deaf) post £29k and reduce pinfold day centre establishment budget by £11k.	Service to particularly excluded groups, i.e. people with sensory impairments as well as other disabilities may be reduced and could compromise the aims of the community plan to promote active engagement and participation and improve quality of life. Pinfold will reduce the rehab service resulting in more people going into more dependant care settings. Longer waits for s/w assessments for deaf children & adults.	Increase in C26 and C27 (residential submissions). Increase in D55 (waiting times for assessments). Decrease in C29 and C32 (helped to live at home).

No.	BUDGET EFFICIENCIES	ANNUAL NET COST					IMPACT ON STAFF No's	DETAILS OF EFFICIENCY	CONSEQUENCES / RISKS OF EFFICIENCY	MEASURABLE EFFECT ON KEY INDICATORS (REGIONAL & NATIONAL COMPARATORS, BVPI's)
		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000				
22	Business support efficiencies for consultancy & project development work	-13	-13	-13	-13	-13	0	Reduction in consultancy and project development budgets.	Support to projects / events may be restricted.	None.
	TOTAL SOCIAL CARE AND INCLUSION	-1,184	-1,977	-1,977	-1,977	-1,977				
CHILDREN & YOUNG PEOPLE										
23	Reorganisation to provide an integrated communication and print and design function.	-30	-54	-54	-54	-54	1	Re-organisation of service.	Greater focus on value for money.	None directly.
24	Reduction of funding to LNP development funds of a further 20%	-34	-34	-34	-34	-34	0	Reduction of funding to LNP development funds of a further 20%.	Reduction in service delivery by both local authority and voluntary sector youth groups. Some risk that Ofsted action plan for the youth service cannot be achieved.	Best value performance indicators for achievement of accredited and recorded outcomes for young people may be missed.
25	Delete head of strategic commissioning - children and families	-56	-56	-56	-56	-56	1	Current post holder is leaving and it is planned not to replace them.	Potential for LAC numbers to increase in the absence of a strategic lead.	May affect B8.
26	Children's efficiencies across children's services in relation to mileage & subsistence - 1% saving	-50	0	0	0	0	0	Efficiencies across children's services in relation to mileage and subsistence.	Increased value for money.	None directly
27	Children's - budget review of supplies & services	-20	0	0	0	0	0	Budget review - furniture, equipment and non staffing - across all areas	Increased value for money.	None directly
28	Children's - procurement savings - external foster placements.	-50	-50	-50	-50	-50	0	To achieve efficiency savings in the procurement of independent residential and foster care placements.	Reduction of placement advice, risk of budget overspend, but greater value for money when achieved.	Key indicators - will support stability of placements for children looked after (a1), promote educational qualifications of children looked after (A2), reduce the number of children looked after absent from school (C24), promote the long term stability of children looked after (D35), reduce the number of care places within 20 miles of the borough, promote best value, improving PAFB8 - costs of children looked after children.

No.	BUDGET EFFICIENCIES	ANNUAL NET COST					IMPACT ON STAFF No's	DETAILS OF EFFICIENCY	CONSEQUENCES / RISKS OF EFFICIENCY	MEASURABLE EFFECT ON KEY INDICATORS (REGIONAL & NATIONAL COMPARATORS, BVPI's)
		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000				
29	Children's - reduction of agency staff - looked after children (LAC) team.	-30	-30	0	0	0	1	Permanent post currently filled by agency staff to be made vacant.	Potential negative impact on productivity because of reduced flexibility in planning of work and increased pressure on existing permanent staff because of deletion of posts. Greater value for money if achieved.	Reduction in posts could have significant impact on PI's. C20 - Reviews of child protection cases, C64 % of core assessments that were completed within 35 working days, C68 Timeliness of reviews of looked after children. Also the inability to allocate cases of vulnerable children and those in other high priority groups.
30	Reduction in costs for looked after children	-200	-200	-200	-200	-200	0	FYE of reduction in numbers completed in 05/06.	Better value for money.	Improved unit costs.
31	Children's - establishment analysis and control.	-175	-300	-300	-300	-300	10	Currently as at September 05 there are 135 vacancies. Conduct audit / establishment control activity to identify posts which may be deleted.	Deleting posts may have effect on workloads of remaining staff, possible on costs - in terms of overtime and agency filling. Failure to control establishment would lead to overspends.	Likely impact on PI's. Potentially reduced ability to allocate cases of vulnerable children and those in other high priority groups. C20 - reviews of child protection cases, C64 % of core assessments that were completed with 35 working days, C68 - timeliness of reviews of looked after children.
32	Children's - deletion of 1 senior practitioner post.	-40	-40	-40	-40	-40	1	Reduced staffing costs, equivalent to a children's services senior practitioner post, to be identified from the children's resource service staffing budget.	Marginal as combined cost savings will be individually risk assessed and across the relatively large employment numbers within the service. Greater value for money.	B8 - unit costs - reduction in unit cost. Better value service delivery in efficiency and economic terms.
33	Children's procurement savings - external residential placements.	-140	-140	-140	-140	-140	0	To achieve efficiency savings in the procurement of independent residential and foster care placements.	Reduction of placement advice, risk of budget overspend due to market forces, but increased value for money when achieved.	None directly.

No.	BUDGET EFFICIENCIES	ANNUAL NET COST					IMPACT ON STAFF No's	DETAILS OF EFFICIENCY	CONSEQUENCES / RISKS OF EFFICIENCY	MEASURABLE EFFECT ON KEY INDICATORS (REGIONAL & NATIONAL COMPARATORS, BVPI's)
		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000				
34	Children's - reduction of 4 external placements.	-400	-400	-400	-400	-400	0	To reduce the number of external placements by 4, at a saving of £2k per week producing a total saving of £400k.	Reduction of placement advice, risk of budget overspend, a challenge to fully achieve but would deliver greater value for money when achieved.	Key indicators - will support stability of placements for children looked after (a1), promote educational qualifications of children looked after (A2), reduce the number of children looked after absent from school (C24), will promote the long term stability of children looked after (D35), reduce the number of care places within 20 miles of the borough, promote best value, improving PAFB8 - cost of children looked after.
35	Children's - establishment analysis and control.	-46	-46	-46	-46	-46	2	To replace 3 agency workers with local authority staff. The process of recruiting staff from overseas has commenced, this together with UK recruitment is likely to encourage existing agency staff to apply for local authority posts. The minimum hourly saving between a local authority social worker and an agency worker is £8.00 per hour. This would amount to a saving of £15k per year for one employee and for three £45k.	Successful recruitment of permanent staff would enhance stability and continuity and value for money.	Timeliness of reviews and caseload management.
	TOTAL CHILDREN & YOUNG PEOPLE	-1,271	-1,350	-1,320	-1,320	-1,320				
	REGENERATION									
36	Markets security staff	-20	-20	-20	-20	-20	0	Ceasing of cash security service for collection of cash from market traders by moving to a non-cash system.	Implications for market traders of moving to a non-cash system, e.g. those that don't have bank accounts. But safer and more cost effective collection method.	None directly.
37	Reduction in supplies and services	-34	-34	-34	-34	-34	0	General reduction in supplies and services budgets across the regeneration directorate.	No significant service implications.	None directly.

No.	BUDGET EFFICIENCIES	ANNUAL NET COST					IMPACT ON STAFF No's	DETAILS OF EFFICIENCY	CONSEQUENCES / RISKS OF EFFICIENCY	MEASURABLE EFFECT ON KEY INDICATORS (REGIONAL & NATIONAL COMPARATORS, BVPI's)
		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000				
38	Regeneration officer business support - deletion of post.	-36	-36	-36	-36	-36	1	Post is currently vacant and recruitment process suspended whilst exploring options to fund via Local Area Agreements and LEGI. If unsuccessful post will remain vacant.	Greater value for money.	None directly.
	TOTAL REGENERATION	-90	-90	-90	-90	-90				
	CORPORATE SERVICES									
39	Legal executive post - vacant post deleted	-28	-28	-28	-28	-28	1	Deletion of vacant post.	Requirement to re-prioritise work around available capacity.	None directly.
40	Law to charge time to capital programme	-31	-31	-31	-31	-31	0	Allocation of time to capital programme for a proportion of time spent on capital schemes.	Correct accounting treatment to reflect actual workload.	None directly.
41	Increase in section 106 income	-10	-10	-10	-10	-10	0	Bring s106 work in house and generating fee income.	Achievement is dependent on number of s106 agreements made in 2006/7.	None directly.
42	Payroll & pensions and revenue and benefits	-137	-270	-270	-270	-270	6	General efficiencies to be achieved from payroll and pensions and revenue and benefits.	Requirement to re-prioritise work around available capacity.	None directly.
43	EMT - income from fees and a reduction in supplies and services and travel expenses	-6	-6	-6	-6	-6	0	Fee income from engagements	If fee income opportunities do not arise, this would require savings in other EMT areas.	None directly.
44	Charging finance officers time to capital schemes	-25	-25	-25	-25	-25	0	Corporate finance time to be charged more appropriately.	Correct accounting treatment to reflect actual workload.	None directly.
45	Performance - one year dampening impact of c/fwd less implementation costs	-23	0	0	0	0	0	Reduce consultancy support. Undertake more work in house.	Realignment of work priorities within the team.	None directly.
46	Business support efficiencies	-385	-600	-600	-600	-600	17	Deletion of vacant posts within legal & admin, rationalisation of debtor, creditors and aspects of financial systems, introduction of e-government concepts and greater use of ICT.	Realignment of work priorities within the service. Better value for money	None directly.
47	Custodian and courier services	-15	-30	-30	-30	-30	1	Modernisation and optimisation of courier, postal and custodian services.	Realignment of work priorities within service.	None directly.
48	Democratic services officer - delete vacant post	-27	-27	-27	-27	-27	1	Deletion of vacant post	Requirement to re-prioritise work around available capacity.	None directly.

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		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000				
49	Law - head of service delete vacant post	-85	-85	-85	-85	-85	1	Post holder retired deletion of vacant post.	Requirement to re-prioritise work around available capacity.	None directly.
50	Constitutional services vacant officer	-32	-32	-32	-32	-32	1	Deletion of vacant post	Requirement to re-prioritise work around available capacity.	None directly.
51	Performance - scrutiny manager and performance improvement manager - delete vacant posts	-93	-93	-93	-93	-93	2	Deletion of vacant posts.	Requires restructuring of team and process re-engineering.	None directly.
52	Performance - knowledge mgt officer vacant post deletion	-37	-37	-37	-37	-37	1	Deletion of post.	Requires the re-prioritisation of knowledge management. This work will progress much slower.	None directly.
53	Internal audit - partner work allocation	-20	-20	-20	-20	-20	0	Rationalisation of work allocated to internal audit partner.	Potential impact on internal audit work programme if non regularity audits increase. Greater value for money when delivered.	None directly.
54	Special projects team - self funding	-5	-5	-5	-5	-5	0	Reduction in use of consultants/specialists in advisory roles on major projects due to increased in-house capacity.	Minimum risk - becomes a risk if expertise is lost through recruitment / retention difficulties.	None directly.
55	Finance - supplies and services	-25	-25	-25	-25	-25	0	General efficiencies .	Minimum risk - need to proactively manage this risk to secure the greater value for money this will deliver.	None directly.
56	Rescheduling of debt.	-100	-100	-100	-100	-100	0	Review of debt portfolio and restructuring to take advantage of favourable interest rates.	Risk is dependent on movements in market in terms of interest rate changes and volatility of these. Walsall already has lowest avg. rate in West Midlands, therefore this is a challenging target. Greater value for money.	None directly.
57	Reduction in external audit fee base	-5	-5	-5	-5	-5	0	Reduced Audit Commission annual fees.	Low risk - as Audit Commission activity in respect of grants is expected to reduce.	None directly.
58	Extension of insurance renewals agreement - more favourable	-40	-40	-40	-40	-40	0	Extension of existing insurance renewal agreements at more favourable rates than currently.	Minimum risk as this has been negotiated and delivers greater value for money.	None directly.

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		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000				
59	Internal audit training budget reduction	-20	-20	-20	-20	-20	0	Reduction in budget available for training of officers.	Due to excess demand for unplanned irregularity/ consultancy work, some of this budget provision has been used to fund regularity audit work given to our external partner. Although the unplanned allocation is set at a realistic level, should this prove insufficient next year, then the audit planned target level may not be achieved at the year end but this is considered low risk.	Loss of this funding may result in a minor reduction in the degree of achievement of the audit plan target of 95%.
60	Deletion of vacant post - accountant	-25	-25	-25	-25	-25	1	Deletion of existing vacant accountant post.	Review & reprioritisation of existing workloads.	None directly.
61	Rationalisation of the residual parts of the finance function currently located in other services - final phase of fundamental restructuring	-24	-47	-47	-47	-47	2	All staff undertaking finance activity should report through to the S151 officer. This provides the professional support such officers require and enables maximisation of economies of scale.	Review & reprioritisation of existing workloads.	None directly.
62	Rationalisation and refocus of member support	-35	-35	-35	-35	-35	1	Deletion of one post.	Reallocation of work and priorities.	None directly.
63	Deletion of vacant post - senior finance assistant	-13	-13	-13	-13	-13	1	Deletion of existing vacant senior finance assistant post.	Review & reprioritisation of existing workloads.	None directly.
	TOTAL CORPORATE SERVICES	-1,246	-1,609	-1,609	-1,609	-1,609				
	NEIGHBOURHOOD SERVICES									
64	Coroner - impact of partnership working	-15	-15	-15	-15	-15	0	Cost efficiencies from working with other local authorities.	This is a demand led service so costs may exceed the available resources if there is an unexpected increase in the need for coroner services e.g. flu pandemic.	None directly.
65	Testing fees sampling - food samples and non-food samples	-15	-15	-15	-15	-15	0	Savings from microbiological testing fees.	None directly	Potential failure to achieve target within service plan and BVP166. Inability to respond to food safety emergencies.

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		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000				
66	Works in default	-10	-10	-10	-10	-10	0	Reduction in works in default expenditure.	More officer time to resolve certain complaints leading to long officer response times and a poorer service to public. Increased refuse in and around domestic premises.	Maintenance of targeted response times. Reduction in level of dumping and fly tipping.
67	Reduction in LNP consultancy costs	-10	-10	-10	-10	-10	0	General budget reduction in LNP budget for consultancy costs.	Reduced capacity to bring in expertise relating to the development of LNP's.	None directly.
68	Car park maintenance	-20	-20	-20	-20	-20	0	Reduction in maintenance budget for council car parks.	Potentially reduced standards of car parking facilities. Walsall's car parks are currently below the national standard and this represents 25% of the total budget. This reduction may hamper regeneration prospects.	None directly.
69	Reprofiling of highways maintenance from revenue to capital	-375	-435	-435	-435	-435	0	Reduce revenue highways maintenance (this saving is based on resources being replaced via capital programme).	None directly	Unless replaced by capital funding this would have significant implications for VIPs, CPA rating and impact on the highways service.
70	Introduction of alternate weeks green bin collection to reflect an increase in recycling following further planned development	0	-300	-300	-300	-300	0	Introduction of alternate weeks green bin collection to reflect increase in recycling following further planned development.	A move to an alternate scheme would be reliant upon increases in recycling rates to make it feasible. This however should be achievable, particularly if a plastics recycling scheme introduced, which may be possible given additional funding from DEFRA.	Increase % of recycling against government targets.
71	Efficiencies and optimisation of funding in the youth service to maximise value for money	-50	-50	-50	-50	-50	0	Combining more efficient working practices with the optimisation of external funding savings can be achieved without a detrimental impact on youth services.	Improved value for money.	None directly.

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		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000				
72	Management savings in Neighbourhood Services	-67	-67	-67	-67	-67	2	Staffing efficiency savings in Planning & Transportation.	Improved value for money.	None directly.
73	Procurement and other efficiency savings in libraries	-67	-69	-69	-69	-69	0	Savings generated from improved procurement & efficiencies.	Improved value for money.	None directly.
74	Increase productivity at the PSE depot through modernisation of working practices	0	-50	-50	-50	-50	0	Savings can be expected in 07/8 from the various service reviews taking place within the Street Pride service.	Improved value for money.	None directly.
75	Organisational development	-209	-300	-300	-300	-300	2	Efficiencies in training budgets and vacancy savings and subsequent reorganisation.	Reallocation of work and priorities through business process re-engineering.	None directly.
76	Human resources	-137	-137	-137	-137	-137	5	Staff will no longer accompany managers on welfare visits and also admin response for vacancy processing will be increased from 3 to 5 days.	Reallocation of work and priorities through business process re-engineering.	None directly.
77	ICT - service efficiencies	-105	-105	-105	-105	-105	2	To be achieved by deletion of vacant posts and general efficiencies within telephony services.	Reallocation of work and priorities.	None directly.
78	Estate management - general efficiencies	-69	-69	-69	-69	-69	0	General efficiencies across the service.	Reallocation of work and priorities.	None directly.
79	Facilities management - general efficiencies	-40	-40	-40	-40	-40	0	General efficiencies across the service.	Reallocation of work and priorities.	None directly.
80	Operational services - general efficiencies	0	-50	-50	-50	-50	0	General efficiencies across the service.	Reallocation of work and priorities.	None directly.
81	First stop shop / customer facing	-12	-12	-12	-12	-12	1	General efficiencies across the service.	Reallocation of work and priorities.	None directly.
82	Libraries and museums	-78	-78	-78	-78	-78	0	General efficiencies across the service.	Reallocation of work and priorities.	None directly.
83	General service reductions/efficiencies - arts events and tourism	-25	-25	-25	-25	-25	0	Reduction in front line services and performance programmes.	Potential for negative impact on event attendance, service profile and satisfaction but this will be managed to avoid as much as possible.	Potentially residents / customer satisfaction BV119 / tracker.

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		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000				
84	General service reductions/efficiencies - art gallery	-20	-20	-20	-20	-20	0	Removal of lighting maintenance from external contractor, reducing utility costs by efficiency monitoring, general maintenance savings, reduce spend on the purchase of new artwork, a general reduction in marketing, and audience development spend.	The transfer of in-house lighting maintenance will reduce the gallery technicians time for other duties. The reduction in planned maintenance may lead to higher repair costs in future years. Missed opportunity to purchase new art work which is relevant and valuable to the collection. A risk of reduction in visitor numbers. Risk of missing out on development of new audiences.	BV170 - Visits to and usage of Museums & Galleries
85	Car parks water rates - budget realignment	-5	-5	-5	-5	-5	0	Actual costs are less than budget.	None	None directly.
86	General service efficiencies - grounds maintenance and street cleansing	-130	-130	-130	-130	-130	0	Carrying out additional works within current budget	Improved value for money.	None directly.
87	Street pride - ongoing savings arising from action plan 2005/6	-200	-200	-200	-200	-200	0	On-going savings from the 2005/06 action plan that are deemed to be deliverable on a permanent basis but which should not have a significant impact on service delivery e.g. reduction of the use of agency staff and better workforce management.	Potential reduction in service standards, cleanliness etc but expected to have minimal and manageable implications.	None directly.
88	Rationalise family learning team	-60	-60	-60	-60	-60	4	The team will not be required to manage community language service or playing for success programmes because they are sufficient in their own right. Team work reducing to nil. Impact on schools, but work the unit did was not charged out or evaluated in terms of key stage attainment.	No consequences that are immediately recognisable. Will seek to work with our strategic partner.	None directly.
89	Introduction of LNP based team working systems for grounds maintenance	-120	-120	-120	-120	-120	0	More cost effective operations enabling teams to undertake a range of tasks within one area, to raise the quality of our prestige parks in line with customer expectations.	Potential impact on street pride operations and income, within the current contracted arrangements. Greater value for money.	Potentially residents / customer satisfaction BV119/ tracker

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		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000				
90	Re-tendering of winter maintenance service	-100	-100	-100	-100	-100	0	Alternative provision of winter maintenance service i.e. re-tendering contract in open competition.	Re-tendering of the service may not generate the required level of savings, but gives greater value for money when delivered.	None directly.
	TOTAL NEIGHBOURHOOD SERVICES	-1,939	-2,492	-2,492	-2,492	-2,492				
	TOTAL	-5,730	-7,518	-7,488	-7,488	-7,488				

SUMMARY OF EFFICIENCIES	2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000
Social Care & inclusion	-1,184	-1,977	-1,977	-1,977	-1,977
Children & young people	-1,271	-1,350	-1,320	-1,320	-1,320
Regeneration	-90	-90	-90	-90	-90
Neighbourhood services	-1,939	-2,492	-2,492	-2,492	-2,492
Corporate services	-1,246	-1,609	-1,609	-1,609	-1,609
TOTAL	-5,730	-7,518	-7,488	-7,488	-7,488

BUDGET - CHANGES IN POLICY

No.	BUDGET REDUCTION	ANNUAL NET COST					IMPACT ON STAFF No's	DETAILS OF BUDGET REDUCTION	CONSEQUENCES / RISKS OF BUDGET REDUCTION	MEASURABLE EFFECT ON KEY INDICATORS (REGIONAL & NATIONAL COMPARATORS, BVPI's)
		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000				
	SOCIAL CARE AND INCLUSION									
1	Older peoples services - reduction in level of external day care	-100	0	0	0	0	0	Reduce purchase of external day care for older people through service level agreements.	Possible resistance from voluntary sector. We would have assessed needs we could not service.	C32 would reduce the number of older people helped to live at home by the council.
2	Equalities	-10	-10	-10	-10	-10	0	Reduction in general budgets of the equalities unit, mainly supplies and services.	Reduce ability to support directorates in achieving equalities targets.	BV2 may affect successful achievement of level 3.
3	Equalities officer - delete vacant post	-30	-30	-30	-30	-30	1	Deletion of vacant post.	Reduce ability to support directorates in achieving equalities targets.	BV2 may affect successful achievement of level 4.
4	Increase in fees & charges - community support packages	-100	-100	-100	-100	-100	0	Charges to be increased by inflation. This has not happened since the introduction of fairer charging in 2003.	Same service but users may have resistance to taking up the service.	None directly.
5	Preserved rights	-145	-145	-145	-145	-145	0	Number of people qualifying for this is reducing.	Numbers may not continue to fall at predicted rates.	None directly.
6	Supported housing - reducing NCO services	-150	-150	-150	-150	-150	5	Reducing services provided by the housing and advice service by either ceasing to provide a service or reducing resources such as staffing levels. Such a saving would equate to 5 full time posts – approx 17% of the workforce.	This is a key deliverable against the governments homeless prevention agenda which needs increased investment. This low level prevention service, helps 250/300 elderly people retain their independence. Further significant reductions could eventually have a negative impact on some social services key thresholds e.g. C32 – helped to live at home and increase the number of admissions to residential care.	BVPI results - may impact on C32 older people helped to live at home and C26 admissions to residential and nursing care.
7	Cessation of funding for vacated post for officer currently on secondment in external organisation (where funding for secondment is provided by external organisation).	-45	-45	-45	-45	-45	0	Posts have been held for long term secondees which is not required. This will lead to reduced costs.	None	None directly.

No.	BUDGET REDUCTION	ANNUAL NET COST					IMPACT ON STAFF No's	DETAILS OF BUDGET REDUCTION	CONSEQUENCES / RISKS OF BUDGET REDUCTION	MEASURABLE EFFECT ON KEY INDICATORS (REGIONAL & NATIONAL COMPARATORS, BVPI's)
		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000				
8	Business support - reduction in grants to voluntary bodies	-84	-84	-84	-84	-84	0	To reduce the council's budget to provide grants to voluntary bodies.	Reduce the sum available to allocate to community and voluntary organisations; greater risk of disappointment among applicants, organisations' funding support may be reduced or withdrawn.	None directly.
	TOTAL SOCIAL CARE AND INCLUSION	-664	-564	-564	-564	-564				
	CHILDREN & YOUNG PEOPLE									
9	Children's - contributions from Youth Offending Service (YOS) partnership for NSPCC project	-14	-14	-14	-14	-14	0	To seek contributions from the YOS partnership for the NSPCC project .	Reduction of placement advice, risk of budget overspend.	Key indicators will support stability of placements for children looked after (a1), promote educational qualifications of children looked after (A2), reduce the number of children looked after absent from school (C24), promote the long term stability of children looked after (D35), reduce the number of care places within 20 miles of the borough, promote best value, improving PAFB8 - cost of children looked after
	TOTAL CHILDREN & YOUNG PEOPLE	-14	-14	-14	-14	-14				
	REGENERATION									
10	Reduce support for WBSP - in context of new NRF funding until March 2008	-85	-85	-85	-85	-85	0	Reduction in support to WBSP due to NRF funding.	From March 2008 there are issues to address regarding the mainstreaming of the WBSP team if NRF does not continue.	None directly.
11	Increased fee income - landscape design team	-10	-10	-10	-10	-10	0	Increase fees recharged to the capital programme to reflect actual workload.	N/A	None directly.
12	Black Country Consortium	-282	0	0	0	0	0	Reduction in contribution to Black Country consortium.	None. The reduction is in line with Black Country Consortium's required commitment from Walsall	None directly.
13	Local Authority Business Growth Initiative (LABGI) - funding stream from potential business rates yield	0	-50	-50	-50	-50	0	Further evaluation required to be undertaken following notification.	N/A	None directly.

No.	BUDGET REDUCTION	ANNUAL NET COST					IMPACT ON STAFF No's	DETAILS OF BUDGET REDUCTION	CONSEQUENCES / RISKS OF BUDGET REDUCTION	MEASURABLE EFFECT ON KEY INDICATORS (REGIONAL & NATIONAL COMPARATORS, BVPI's)
		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000				
14	Revised approach to the funding of provision of the council's support work and advice on securing external funding	-43	-52	-52	-52	-52	0	Refocus of activity into the community.	Greater value for money.	None directly.
	TOTAL REGENERATION	-420	-197	-197	-197	-197				
	NEIGHBOURHOOD SERVICES									
15	Additional income planning application fees	-235	-235	-235	-235	-235	0	Additional planning fees.	The amount of income is dependant upon the number and type of planning applications received and will be impacted upon by any downturn in economic activity which would result in the increased income level not being achieved.	Not directly effected by increased income.
16	Increased income from events admission fees	-30	-30	-30	-30	-30	0	Reduce the overall events programme costs due to increased admission fees and supporting application for external grant income that is event related.	Potential for negative impact on event attendance, service profile and satisfaction.	N/A
17	Increased fees & charges - sports facilities, pitches etc	-15	-15	-15	-15	-15	0	Increases in fees and charges for use of council leisure facilities.	Potential negative impact on inclusivity in respect of smaller clubs and organisations out of the service, reduced competitiveness and potential take up of services.	Residents / customer satisfaction BV119/ tracker
18	Additional income from textiles recycling	-20	-20	-20	-20	-20	0	New strand of recycling materials not currently included within budget. Estimated 150 tonnes per year @ £115 per tonne	With the introduction of Landfill Allowance Trading Scheme (LATS) regulations within the Waste and Emissions Trading (WET) Act 2003, waste disposal authorities face financial penalties if they do not limit the amount of biodegradable waste going to landfill. Councils will be allowed to send decreasing percentages of waste to landfill, with surplus waste being fined £150 per tonne.	BV82A & BV 82B Government waste strategy aims to minimise the production of waste and either recycle or compost as much of the remaining waste as is practicable.
19	Reduction in required CCTV operative budget - deletion of vacant post	-40	-40	-40	-40	-40	1	Current budget is for 12 staff - budget only needed for 11.	Potential short term impact on ability to provide comprehensive CCTV service, but greater value for money when delivered.	None directly

No.	BUDGET REDUCTION	ANNUAL NET COST					IMPACT ON STAFF No's	DETAILS OF BUDGET REDUCTION	CONSEQUENCES / RISKS OF BUDGET REDUCTION	MEASURABLE EFFECT ON KEY INDICATORS (REGIONAL & NATIONAL COMPARATORS, BVPI's)
		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000				
20	Increase fees & charges - licensing / pest patrol	-20	-20	-20	-20	-20	0	Increase income from pest control and miscellaneous license fees.	Potential loss of business.	None directly
21	Skips income	-5	-5	-5	-5	-5	0	New revenue stream from skip permits.	This will be dependent upon the number of applications received as it is demand led.	None directly
22	Bryntysilio - reduction in supplies and services and increase in income	-20	-20	-20	-20	-20	0	Reduction through careful management of resources and increase in fees charged to students on courses.	Potential impact on low income families. Potential impact on the quality of service to the schools. Possible reduction in numbers signing up because of the increases.	None directly
23	Increase in schedule of rates - highways maintenance	-401	-401	-401	-401	-401	0	Proposed increase in schedule of rates within planned maintenance of 10% on an income budget of £3.96m. This will have the effect of planned maintenance carrying out less work, as the current level of income from planning & transport will not change.	Less work would be delivered.	Implications for highways BVPI's, although greater VFM once efficiencies are defined via new procurement route.
24	External sponsorship of traffic islands	-30	-30	-30	-30	-30	0	Seek external sponsorship of road traffic islands - to be utilised by private companies for corporate advertising.	N/A	None directly
25	Increase in Fleet charges to external customers	-125	-125	-125	-125	-125	0	Increase in recharges to external customers.	Dependent on customer base being retained. Greater cost recovery.	None directly
26	Increase in charges for trade waste collection	-52	-52	-52	-52	-52	0	More cost effective management.	Increasing charges for private businesses could result in a reduction in demand for the service, but would deliver an increased degree of cost recovery and value for money.	None directly

No.	BUDGET REDUCTION	ANNUAL NET COST					IMPACT ON STAFF No's	DETAILS OF BUDGET REDUCTION	CONSEQUENCES / RISKS OF BUDGET REDUCTION	MEASURABLE EFFECT ON KEY INDICATORS (REGIONAL & NATIONAL COMPARATORS, BVPI's)
		2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000				
27	Delete tourism post	-38	-39	-39	-39	-39	1	Deletion of tourism officer post.	Deletion of this post will have detrimental implications for the provision of a dedicated tourism service within the borough and alternative arrangements would need to be explored.	None directly
28	Use of income from planning delivery grant	-49	0	0	0	0	0	One off use of grant.	N/A	None directly
29	Further review of bereavement services charges	-40	-100	-100	-100	-100	0	Alignment with fee levels of local providers.	Greater cost recovery and comparability of charges.	None directly
30	Increase in vacancy management for leisure & culture staff	-115	-115	-115	-115	-115	0	Increase in vacancy management allowance within leisure and cultural services staffing budgets.	Levels of budgeted vacancy management achieved could adversely impact on service levels if vacancies not filled.	None directly
	TOTAL NEIGHBOURHOOD SERVICES	-1,235	-1,247	-1,247	-1,247	-1,247				
	TOTAL	-2,333	-2,022	-2,022	-2,022	-2,022				

SUMMARY CHANGES IN POLICY	2006/ 07 £000	2007/ 08 £000	2008/ 09 £000	2009/ 10 £000	2010/ 11 £000
Social Care & Inclusion	-664	-564	-564	-564	-564
Children & Families	-14	-14	-14	-14	-14
Regeneration	-420	-197	-197	-197	-197
Neighbourhood Services	-1,235	-1,247	-1,247	-1,247	-1,247
Corporate Services	0	0	0	0	0
TOTAL	-2,333	-2,022	-2,022	-2,022	-2,022

1. DRAFT COUNCIL TAX EXCLUDING PRECEPTS (WALSALL COUNCIL ONLY)**A. LEVELS FOR PROPERTIES WITH TWO OR MORE RESIDENTS (67% of Properties)**

BAND	WEIGHT	2005/6 C.TAX	2006/07 C.TAX	ANNUAL CHANGE	ANNUAL INCREASE
		£	£	£	%
A	6/9	771.29	800.12	28.83	3.74%
B	7/9	899.84	933.47	33.63	3.74%
C	8/9	1,028.39	1,066.82	38.43	3.74%
D	9/9	1,156.94	1,200.17	43.23	3.74%
E	11/9	1,414.04	1,466.88	52.84	3.74%
F	13/9	1,671.13	1,733.58	62.45	3.74%
G	15/9	1,928.23	2,000.29	72.06	3.74%
H	18/9	2,313.88	2,400.35	86.47	3.74%

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

BAND	WEIGHT	2005/6 TOTAL C.TAX	2006/07 WMBC C.TAX	FINAL STILL T.B.A.		OVERALL (INC PRECEPTS)		
				2006/07 FIRE PRECEPT	2006/07 POLICE PRECEPT	2006/07 TOTAL C.TAX	ANNUAL C.TAX INCREASE	ANNUAL C.TAX INCREASE
		£	£	£	£	£	£	%
A	6/9	854.55	800.12	28.79	58.42	887.33	32.78	3.84%
B	7/9	996.97	933.47	33.59	68.16	1,035.22	38.25	3.84%
C	8/9	1,139.40	1,066.82	38.38	77.89	1,183.09	43.69	3.84%
D	9/9	1,281.83	1,200.17	43.18	87.63	1,330.98	49.15	3.84%
E	11/9	1,566.67	1,466.88	52.78	107.10	1,626.76	60.09	3.84%
F	13/9	1,851.52	1,733.58	62.37	126.58	1,922.53	71.01	3.84%
G	15/9	2,136.38	2,000.29	71.97	146.05	2,218.31	81.93	3.84%
H	18/9	2,563.65	2,400.35	86.36	175.26	2,661.97	98.32	3.84%

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

BAND	WEIGHT	2005/6 TOTAL C.TAX	2006/07 WMBC C.TAX	2006/07 FIRE PRECEPT	2006/07 POLICE PRECEPT	2006/07 TOTAL C.TAX	ANNUAL C.TAX INCREASE	ANNUAL C.TAX INCREASE
		£		£	£	£	£	%
A	6/9	640.91	600.09	21.59	43.82	665.50	24.59	3.84%
B	7/9	747.73	700.10	25.19	51.12	776.41	28.68	3.84%
C	8/9	854.55	800.12	28.79	58.42	887.33	32.78	3.84%
D	9/9	961.37	900.13	32.39	65.72	998.24	36.87	3.84%
E	11/9	1,175.01	1,100.16	39.58	80.33	1,220.07	45.06	3.84%
F	13/9	1,388.64	1,300.19	46.78	94.93	1,441.90	53.26	3.84%
G	15/9	1,602.28	1,500.22	53.98	109.54	1,663.74	61.46	3.84%
H	18/9	1,922.74	1,800.26	64.77	131.45	1,996.48	73.74	3.84%

3. SPREAD OF PROPERTIES

The proportion of properties within Walsall Council within each council tax band is as follows:

BAND	A	B	C	D	E	F	G	H	TOTAL
PROPERTIES (No)	49,461	24,333	16,413	9,470	5,262	2,197	710	54	107,900
PROPERTIES (%)	45.84	22.55	15.21	8.77	4.88	2.04	0.66	0.05	100
CUMULATIVE TOTALS	68.39%								
	83.60%								
	92.37%								

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

BAND	A	B	C	D	E	F	G	H
£	0.55	0.64	0.74	0.83	1.01	1.20	1.38	1.66

CFO REPORT ON ROBUSTNESS OF THE BUDGET & ADEQUACY OF RESERVES – ADDITIONAL SUPPORTING INFORMATION

Context

In accordance with the Local Government Act 2003 (S25 - S27) and to comply with CIPFA guidance on local authority reserves and balances, the CFO is required to formally report to members on the robustness of the budget and the adequacy of reserves. In signing off this overall revenue budget report, the signature of the Executive Director (Corporate Services) who holds the post of CFO constitutes the formal declaration required under the Act that these conditions have been fully met. This statement is also signed.

Adequacy of reserves

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

- Being significantly involved in the budget setting process, the annual financial cycle, and engaged in the strategic leadership of the organisation as a member of the Executive Management Team (EMT);
- Challenging the budget at various stages of construction, including the reasonableness of the key budget assumptions, such as estimates of inflationary and corporate 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;
- An 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.
- 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 elected members; particularly with the cabinet portfolio holder for finance.

It is prudent for councils to maintain an adequate “working balance” which is part 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 were identified by the Audit Commission as areas of good practice to be shared nationally. The sixth (revised) edition of our MTFS was approved in November 2005. The matter of reserves and contingencies is 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.

Our longstanding aim has been to have a prudent level of general reserves and incrementally increase them to get to an acceptable level. This has been achieved and the level of general reserves, in the same way as central contingency, will be 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 1% and 1.25% of the total net general fund revenue budget, the precise level within this range to be determined by risk assessment. This equates to £4.6 m in 2006/7 (prior to netting off of dedicated schools grant). The draft budget achieves those aims for the following financial years.

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 reserves. A central contingency of £371k for 2006/7 (i.e.: 0.1% of the previous year's net revenue budget) supports prudent financial management. Experience shows that this should be adequate. A list of reserves is included in **Appendix 12**.

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 that surplus to generate additional investment income, or using the funding 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 levels of reserves, whilst substantially more than in previous years, are relatively modest. However, this 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.

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 reserves are being used to support the 2006/7 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. The central contingency for 2006/7 represents an increase over previous years, and is adequate.

The CFO has been involved throughout the entire budget process, including revising the MTFS, input to the drafting of the budget guidelines, the ongoing financial monitoring and reporting process, evaluation of investments and savings, engagement with members of the executive and scrutiny, advising colleagues, the strategic choices activities, the public consultation process, challenge and evaluation activities, and the scrutiny and approval of various reports. The following sections 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 July 2005 and the draft budget was complete in December to coincide with the draft Government financial settlement. This enabled budget conferences to take place with cabinet on 14 December 2005 and resources scrutiny on 30 November and 15 December 2005. Formal scrutiny took place in November and January by all five panels. Public consultation has been ongoing since November 2005. The final budget is due to be set at Council on 6 March, 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 on 14 December 2005 and with the resources scrutiny panel on 30 November and 15 December. Cabinet have considered the budget reports on 18.1.06. Scrutiny panels have each had two opportunities 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, including budget briefings with the Labour and Liberal Democrat groups.

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

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

Budget monitoring – reports continue to be submitted to cabinet, resources scrutiny panel, EMT, performance boards and management teams across the council throughout the year. The council's IPM process (which has also been refreshed 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, capping is considered to be very unlikely. The contingency plan would be to either identify additional savings or to remove some planned investment from the budget to the level of the cap.

Ownership and accountability – the budget has progressed through various filters during its construction including endorsement of management teams within services and EMT itself. Each year “accountability memos” are sent to every manager setting out budget scope and responsibilities, including implementation of investment and savings. Managers are required to sign and return a copy acknowledging their responsibilities. This is formally tracked and reported on throughout the year. The IPM process similarly requires formal assessment of individual budget management responsibilities. The accountability letters will be issued again before the start of the 2006/7 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 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 current estimated outturn appears in section 1 of this report. The 2006/7 draft budget includes the replenishment of reserves to the threshold level (explained above) following a predicted net revenue overspend of c £0.5m in 2005/6.

Key assumptions

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

Financial risks – the council continues to use an innovative risk assessment approach both when setting the budget and in validating estimated outturns. This continues for the 2005/6 outturn and 2006/7 plus budget. Details are set out in this report and **Appendix 1**. The prevailing level of general reserves are 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. Total additional investment (growth) this year is £3m. The prudential code has been used to an appropriate degree to finance investment in ICT infrastructure to ensure efficiency savings are driven out to re-invest in front line services and is planned to be further used to finance a major repairs programme in non-educational establishments, and to provide a creative solution to remedy the backlog of repairs and maintenance issues in primary schools, aligned to a strategic approach to the reorganisation of primary school infrastructure in the light of surplus capacity, to enable more effective asset management and realise receipts.

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 PI outcomes. The council is working to improve performance outcomes on a range of activities which are monitored through the *Beacon Index* and within services across the council. Service plans currently being finalised are linking budget provision with corporate and service priorities. Budget provision has been identified for the pledges outlined in the council's vision document, as set out at **Appendix 4.**

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 within 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.



Carole Evans
Statutory CFO
1 February 2006

Forecast of miscellaneous provisions and other earmarked reservesEARMARKED RESERVES

	OPENING BALANCE @ 01.04.05 £	ANTICIPATED MOVEMENTS 2005/6 £	ANTICIPATED MOVEMENTS 2006/7 £	ESTIMATED CLOSING BALANCE @ 31.03.07 £
1) Rent Office Former Employee Pension Costs <i>Funds received by former DETR (now ODPM). Historically, the rent officer service was funded via grant through local authorities but is now funded direct. When the transition took place, DETR provided these funds to cover the future years added sums costs of retired rent officer employees that remained with the council after the funding arrangements changed</i>	(45,019)	4,500	4,700	(35,819)
2) Transformational change / path to excellence <i>This reserve was created in 2002/3 to support the establishment of a performance fund to drive / support recovery</i>	(613,000)	583,000	30,000	0
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.</i>	(1,524,089)	1,454,089	70,000	0
4) Single Status	(4,939,670)	888,150	(250,000)	(4,301,520)
5) Right to Buy Income <i>Under the terms of the LSVT, WHG reimburse the council for every council house sale. The actual rate of sales of former council houses in the first year was higher than the WHG profile. The additional receipts were therefore transferred to this reserve to help support future years budgetary pressures due to actual sales falling below the original profile. This was approved by cabinet in approving the LSVT cost neutrality model.</i>	(688,151)	688,151	0	0
6) Improving the working environment <i>This reserve was created to enhance the standard of council occupied buildings on a needs assessed basis and improve the working environment within these premises.</i>	(271,000)	271,000	0	0
7) Ready Steady Summer (Summer Reloaded) <i>This reserve was established to support a number of community based youth initiatives in the summer of 2004.</i>	(50,000)	50,000		0
8) Community engagement / LNP's <i>This reserve was established to provide some pump priming support to LNP's in implementing their Local Plans which are due to be approved by Council in March 2005.</i>	(250,000)	250,000	0	0
9) Long service awards <i>A scheme for recognising staff loyalty for 20+ years of service was approved and this reserve established to fund the backlog of awards due. Future years awards are then funded directly by the service.</i>	(80,284)	80,284	0	0
10) WMPTE refund reserve <i>From time to time, the Passenger Transport Authority reimburse districts with any unspent reserves they may have above forecast levels required. These are then used in subsequent years to reduce the budgetary impact of the PTE levy.</i>	(567,871)	567,871	0	0
11) 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>	0	(99,984)	0	(99,984)
12) 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>	236,677,070			236,677,070
SUB TOTAL OTHER EARMARKED RESERVES	227,647,986	4,737,061	(145,300)	232,239,747

MISCELLANEOUS PROVISIONS

	OPENING BALANCE @ 01.04.05 £	ANTICIPATED MOVEMENTS 2005/6 £	ANTICIPATED MOVEMENTS 2006/7 £	ESTIMATED CLOSING BALANCE @ 31.03.07 £
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>	(300,000)	40,000	260,000	0
2) Provision to cover the costs of early retirements <i>Set up during 2004/5 to cover known obligations arising in 2005/6 as a result of early retirement decisions.</i>	(118,319)	118,319	0	0
3) Legal costs for land waste disposal <i>Claim in respect of contaminated land to be settled in 2005/6.</i>	(115,000)	115,000	0	0
4) Unitary Development Plan <i>Provision set up to cover costs of a unitary development plan which we have a legal obligation to produce.</i>	(40,000)	35,000	5,000	0
5) General provision within Leisure & Culture <i>Set up to cover costs of redundancies, new art gallery projects and payments in respect of Wharf bar when sale completed.</i>	(141,596)	67,822	73,774	0
6) Provision for outstanding mediation <i>This provision was set up to cover outstanding mediation costs in respect of Independent Energy. During 05/6 this has now been settled and provision used in full.</i>	(700,000)	700,000	0	0
7) Outstanding mediation <i>Provision to cover costs of Beechdale mediation which is now settled.</i>	(823,595)	823,595	0	0
8) Section 117 <i>Provision to provide for claims against the authority under mental health section 117</i>	(1,148,356)	0	500,000	(648,356)
9) HAZ - care programme <i>Income received from Health Action Zones to be utilised against HAZ projects.</i>	(41,542)	0	0	(41,542)
10) Commutation adjustment <i>The provision is to provide additional 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>	(1,168,944)	269,000	290,000	(609,944)
SUB TOTAL MISCELLANEOUS PROVISIONS	(4,597,352)	2,168,736	1,128,774	(1,299,842)

SUMMARY OF DRAFT CORPORATE REVENUE BUDGET 2007/8

SERVICE / LEVY ETC.	2006/7 BASIC FORECAST £000	INFLATIONARY PRESSURES £000	PAY RELATED CHANGES £000	OTHER CHANGES £000	BASIC FORECAST 2007/8 £000	FYE OF 2005/6 APPROVED SAVINGS £000	FYE OF 2005/6 APPROVED INVESTMENT £000	NEW SAVINGS & EFFICIENCIES £000	NEW INVESTMENT £000	FORECAST 2007/8 INCL. SAVINGS & INVESTMENT £000
Corporate services	15,892	271	789	28	16,981	76	0	-1,509	300	15,848
Social care & inclusion	64,284	1,412	1,290	22	67,009	-350	1,297	-2,541	1,376	66,791
Children & young people	71,250	12,021	515	-10,831	72,955	0	0	-1,364	225	71,816
Neighbourhood services	68,810	898	1,959	-42	71,624	-41	1,565	-3,738	530	69,940
Regeneration	2,763	16	79	1	2,858	0	-188	-287	160	2,543
SUB TOTAL SERVICES	222,999	14,619	4,632	-10,823	231,426	-315	2,674	-9,438	2,591	226,938
Capital Financing	14,738			1,489	16,227	0	0	-100	0	16,127
LESS: Capital Charges	-42,306				-42,306	0	0	0	0	-42,306
Non-service specific prudence/central items	711			1,841	2,552	0	0	0	0	2,552
SUB TOTAL CENTRAL ITEMS	-26,858	0	0	3,330	-23,528	0	0	-100	0	-23,628
Levies:										
PTE (% increase to be advised)	12,557	314	0	0	12,870	0	0	0	0	12,870
Environment Agency	82	4	0	0	86	0	0	0	0	86
NET REVENUE EXPENDITURE	208,780	14,937	4,632	-7,493	220,855	-315	2,674	-9,538	2,591	216,267
(Use of)/contribution to reserves	355		0	-355	0	0	0	0	0	0
GRAND TOTAL BUDGET REQUIREMENT	209,135	14,937	4,632	-7,848	220,855	-315	2,674	-9,538	2,591	216,267

Other changes include all other budgetary adjustments required that are not pay or inflation related, such as:

- Grant related - for example children and young people directorate includes increase in DSG 2006/7 to 2007/8.

- Corporate financial pressures - for example re-profiling of income due from right to buy receipts, review of treasury management interest rates, contributions to and from reserves

Levies are subject to final notification

SUMMARY OF DRAFT CORPORATE REVENUE BUDGET 2008/9

SERVICE / LEVY ETC.	2007/8 BASIC FORECAST £000	INFLATIONARY PRESSURES £000	PAY RELATED CHANGES £000	OTHER CHANGES £000	BASIC FORECAST 2008/9 £000	FYE OF 2005/6 APPROVED SAVINGS £000	FYE OF 2005/6 APPROVED INVESTMENT £000	NEW SAVINGS & EFFICIENCIES £000	NEW INVESTMENT £000	FORECAST 2008/9 INCL. SAVINGS & INVESTMENT £000
Corporate services	16,981	262	648	136	18,027	108	0	-1,509	300	16,926
Social care & inclusion	67,009	1,506	1,036	796	70,346	-350	1,297	-2,541	1,999	70,751
Children & young people	72,955	8,373	426	-5,567	76,187	0	0	-1,334	225	75,079
Neighbourhood services	71,624	371	1,826	-26	73,795	-58	2,016	-3,738	455	72,469
Regeneration	2,858	16	58	0	2,932	0	-188	-287	100	2,557
SUB TOTAL SERVICES	231,426	10,527	3,994	-4,660	241,287	-300	3,125	-9,408	3,079	237,782
Capital Financing	16,227			1,961	18,188	0	0	-100	0	18,088
LESS: Capital Charges	-42,306				-42,306	0	0	0	0	-42,306
Non-service specific prudence/central items	2,552			950	3,502	0	0	0	0	3,502
SUB TOTAL CENTRAL ITEMS	-23,528	0	0	2,911	-20,617	0	0	-100	0	-20,717
Levies:										
PTE (% increase to be advised)	12,870	592	0	0	13,462	0	0	0	0	13,462
Environment Agency	86	5	0	0	90	0	0	0	0	90
NET REVENUE EXPENDITURE	220,855	11,124	3,994	-1,750	234,223	-300	3,125	-9,508	3,079	230,618
(Use of)/contribution to reserves	0		0	0	0	0	0	0	0	0
GRAND TOTAL BUDGET REQUIREMENT	220,855	11,124	3,994	-1,750	234,223	-300	3,125	-9,508	3,079	230,618

Other changes include all other budgetary adjustments required that are not pay or inflation related, such as:

- Grant related - for example children and young people directorate includes forecast increase in DSG 2007/8 to 2008/9.
- Corporate financial pressures - for example re-profiling of income due from right to buy receipts, review of treasury management interest rates, contributions to and from reserves

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SUMMARY OF DRAFT CORPORATE REVENUE BUDGET 2009/10

SERVICE / LEVY ETC.	2008/9 BASIC FORECAST £000	INFLATIONARY PRESSURES £000	PAY RELATED CHANGES £000	OTHER CHANGES £000	BASIC FORECAST 2009/10 £000	FYE OF 2005/6 APPROVED SAVINGS £000	FYE OF 2005/6 APPROVED INVESTMENT £000	NEW SAVINGS & EFFICIENCIES £000	NEW INVESTMENT £000	FORECAST 2009/10 INCL. SAVINGS & INVESTMENT £000
Corporate services	18,027	270	642	102	19,041	137	0	-1,509	300	17,969
Social care & inclusion	70,346	1,638	1,047	7	73,038	-350	1,297	-2,541	2,756	74,200
Children & young people	76,187	8,940	433	-5,750	79,810	0	0	-1,334	225	78,701
Neighbourhood services	73,795	814	1,777	13	76,399	-75	2,473	-3,738	430	75,489
Regeneration	2,932	16	58	0	3,007	0	-188	-287	100	2,632
SUB TOTAL SERVICES	241,287	11,679	3,958	-5,629	251,295	-288	3,582	-9,408	3,811	248,991
Capital Financing	18,188			1,965	20,153	0	0	-100	0	20,053
LESS: Capital Charges	-42,306				-42,306	0	0	0	0	-42,306
Non-service specific prudence/central items	3,502			72	3,574	0	0	0	0	3,574
SUB TOTAL CENTRAL ITEMS	-20,617	0	0	2,037	-18,580	0	0	-100	0	-18,680
Levies:										
PTE (% increase to be advised)	13,462	1,225	0	0	14,688	0	0	0	0	14,688
Environment Agency	90	4	0	0	94	0	0	0	0	94
NET REVENUE EXPENDITURE	234,223	12,908	3,958	-3,592	247,497	-288	3,582	-9,508	3,811	245,093
(Use of)/contribution to reserves	0		0	0	0	0	0	0	0	0
GRAND TOTAL BUDGET REQUIREMENT	234,223	12,908	3,958	-3,592	247,497	-288	3,582	-9,508	3,811	245,093

Other changes include all other budgetary adjustments required that are not pay or inflation related, such as:

- Grant related - for example children and young people directorate includes forecast increase in DSG 2008/9 to 2009/10.
- Corporate financial pressures - for example re-profiling of income due from right to buy receipts, review of treasury management interest rates, contributions to and from reserves

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SUMMARY OF DRAFT CORPORATE REVENUE BUDGET 2010/11

SERVICE / LEVY ETC.	2009/10 BASIC FORECAST £000	INFLATIONARY PRESSURES £000	PAY RELATED CHANGES £000	OTHER CHANGES £000	BASIC FORECAST 2010/11 £000	FYE OF 2005/6 APPROVED SAVINGS £000	FYE OF 2005/6 APPROVED INVESTMENT £000	NEW SAVINGS & EFFICIENCIES £000	NEW INVESTMENT £000	FORECAST 2010/11 INCL. SAVINGS & INVESTMENT £000
Corporate services	19,041	320	642	102	20,105	137	0	-1,509	300	19,033
Social care & inclusion	73,038	1,788	1,047	7	75,880	-350	1,297	-2,541	3,884	78,170
Children & young people	79,810	10,340	433	-6,750	83,832	0	0	-1,334	225	82,723
Neighbourhood services	76,399	864	1,777	13	79,054	-75	2,473	-3,738	430	78,143
Regeneration	3,007	35	58	0	3,100	0	-188	-287	100	2,726
SUB TOTAL SERVICES	251,295	13,348	3,958	-6,629	261,971	-288	3,582	-9,408	4,939	260,796
Capital Financing	20,153			1,865	22,019	0	0	-100	0	21,919
LESS: Capital Charges	-42,306				-42,306	0	0	0	0	-42,306
Non-service specific prudence/central items	3,574			72	3,645	0	0	0	0	3,645
SUB TOTAL CENTRAL ITEMS	-18,580	0	0	1,937	-16,642	0	0	-100	0	-16,742
Levies:										
PTE (% increase to be advised)	14,688	1,450	0	0	16,138	0	0	0	0	16,138
Environment Agency	94	4	0	0	98	0	0	0	0	98
NET REVENUE EXPENDITURE	247,497	14,802	3,958	-4,692	261,564	-288	3,582	-9,508	4,939	260,289
(Use of)/contribution to reserves	0		0	0	0	0	0	0	0	0
GRAND TOTAL BUDGET REQUIREMENT	247,497	14,802	3,958	-4,692	261,564	-288	3,582	-9,508	4,939	260,289

Other changes include all other budgetary adjustments required that are not pay or inflation related, such as:

- Grant related - for example children and young people directorate includes forecast increase in DSG 2009/10 to 2010/11.
- Corporate financial pressures - for example re-profiling of income due from right to buy receipts, review of treasury management interest rates, contributions to and from reserves

Levies are subject to final notification

GLOSSARY OF TERMS

Accountable body	Responsible body for finance and governance purposes, accountable for ensuring financial and governance arrangements are adequate.
Asset	Capital items such as land, buildings, vehicles, equipment etc.
Base budget	The amount required for services to continue at their current level, only adjusted from the previous year's budget for inflationary pressures, not changes in service levels provided.
Baseline	The starting point for financial planning. The current position taking into account all currently known financial issues.
Benchmarking	The process by which a council service, process and/or cost is compared with that of other councils, organisations, prices and/or functions.
Billing authority	Walsall Council is the billing authority responsible for the collection of the council tax and non-domestic rates which includes amounts from the local precepting authorities – the West Midlands Fire and Civil Defence and Police Authorities.
Budget guidelines	A comprehensive set of guidance notes prepared centrally for use by accountants and finance officers throughout the Council during the budget setting process. These contain details on inflation rates, the treatment of certain financial items, and the format of reports.
Capital expenditure	Expenditure on major items e.g. land and buildings, which adds to and not merely maintains the value of existing fixed assets.
Capital financing	The costs of borrowing in order to finance the expenditure of the authority. Interest and principle debt repayments and debt management expenses.
Capital grants	Specific targeted grants to cover capital expenditure.
Capital programme	The annual plan of capital spending and how it is funded, approved by full council each March.
Capital receipts	Money received from the sale of council assets e.g. land.
Capital strategy	The council's intentions for its capital income and expenditure to deliver the organisation's aims and objectives.
Capitalisation	The legitimate transfer of expenditure originally coded to the revenue account to be funded by capital resources. Only certain types of expenditure are capable of being capitalised, eg: expenditure associated with the acquisition or enhancement of assets. Capitalisation can reduce the amount of resources available to fund capital investment.
Capping	Reserve powers used by central government to restrict the increase in a councils budget and/or council tax. Capping requires the budget to be re-set at a lower level and can incur significant costs.
Carry forward protocol	The process by which annual under and overspends are carried forward between financial years to either reward good financial management or penalise services that overspend.
Central contingency	A small budget set aside each year to cover unforeseen items of expenditure.
CFO	The statutory finance officer as set out in section 114(6) of the Local Government Act (LGA) 1988 and section 151 of the LGA 1972.

CIPPF	The corporate integrated planning and performance framework. The mechanism by which this council undertakes all of its financial, service, performance and risk management and planning.
Collection fund	A statutory account which billing authorities have to maintain for the collection and distribution of amounts due in respect of council tax, NNDR and residual community charge accounts.
Community plan	The plan supports the strategies of all partner organisations and draws together the hopes and aspirations of each of those organisations.
Corporate plan	Our corporate plan is refreshed each year. The current one covers the 2005/6 financial year and sets out the main objectives the council will be pursuing to improve services and make Walsall a better place. The plan looks at our priorities now and in the future. The plan includes the council's vision
Council tax	The tax levied on domestic properties, which depends on the 'band' of value for the property based on estimated property values at 1 April 1991.
Council tax base	The total number of band D equivalent properties upon which the council tax can be levied.
Dedicated schools grant (DSG)	A new specific grant for schools funding which has the impact of reducing the council's net budget requirement.
Draft capital programme (DCP)	The summary preliminary capital programme submitted to Cabinet and Council. The Programme ceases being a "draft" once it is approved by Council.
Earmarking	The process of setting aside a specific sum of money for a specific activity, liability or incident.
Financial standing	The council's financial health and solvency.
Financial strategy	The policy whereby the council establishes the financial principles upon which it builds its revenue and capital budgets.
Forecast	An estimate of the authority's spending for the next financial year.
Formula grant distribution system (FGDS)	A central government mechanism of dividing up resources allocated in the government spending review. It is not a measure of how much a council should spend but a way of allocating grant according to councils' relative circumstances.
Four block model	An individual authority's allocation from the FGDS.
General fund	The main revenue account of the council which brings together all income and expenditure other than that recorded in the collection fund or housing revenue account. (Following large scale voluntary transfer of its housing stock in March 2003, Walsall no longer maintains a separate housing revenue account).
Gershon efficiencies	Central government initiative to ensure authorities become more efficient and effective – target 2.5% annual efficiency for 3 years.
Individual Performance Management (IPM)	The process for reviewing the performance management of individuals, which translates the priorities from directorate, service and team plans into individual targets. It demonstrates how each person contributes to service priorities and the council's vision.
I-procurement	A system where goods and services are purchased electronically rather than through manual ordering systems which is intended to generate longer term savings through economies of scale and a paperless office environment.
Internal control	Mechanisms and systems to ensure that the arrangements for financial management are adequate.

APPENDIX 17

Investment bids / strategic choices	The process by which the council establishes its changing needs and priorities for the coming year. It starts with managers submitting bids for additional funding above that included in the base budget. The submissions then go through a rigorous challenge process including director and councillor appraisal before successful bids are approved by members when the budget is set in March.
LABGI	Local Authority Business Growth Initiative
Leasing	A method of financing capital expenditure by paying a “rental” from the revenue account to purchase capital equipment such as computers or vehicles.
Levies	Charges made upon Walsall Council by other organisations which serve several authorities (eg: Passenger Transport Authority)
Licensed deficit	A specific permission (given in advance) for a service to overspend and for that overspend to be temporarily funded from general reserves. Any such overspend would have to be for a particular reason to at a predetermined level. Any such permission is given on the basis of an agreement to pay it back in full over a defined period, usually the following financial year.
Medium-term financial planning	Consideration and forward planning of the council's finances over a period of at least three years and usually a longer term (eg: 5 – 15 years).
National non-domestic rates	A tax levied on business properties, also referred to as business rates. NNDR poundage is set annually by the Government. Rates based on properties' rateable values are collected by billing authorities and paid into a national pool. The proceeds are then redistributed by central Government as a grant to local authorities according to population.
Neighbourhood renewal fund (NRF)	Government initiative introduced from 2001/2 to assist local authorities in deprived areas to deliver better outcomes for their most deprived communities.
Net budget requirement	Amount of council spending needed to be financed, following the receipt of specific grants & use of reserves, to be met from revenue support grant, national non-domestic rates and council tax.
Net revenue expenditure	The amount of council spending needed to be financed, following the receipt of specific grant, to be met from reserves, revenue support grant, national non-domestic rates and council tax.
Options appraisal	The process by which several possible courses of action are assessed against a range of objective criteria to determine the best way forward.
Policy led budgeting	A system of budgeting where resources are linked to council priorities to ensure that projects with the highest priority receive the funding necessary to implement them.
Precepting authority	An authority e.g. police and fire which sets a 'precept' on billing authorities, who collect it on their behalf.
Prudential Code	Prudential Code replaced the previous capital finance regulations from 1 April 2004. Fundamentally the Code provides freedom for authorities to enter into unsupported borrowing to fund capital investment proposals, without government consent, where they can afford to service the additional debt without government support. The key objectives of the Code are to ensure that capital investment plans of local authorities are affordable, prudent, sustainable , and follow good practice .

APPENDIX 17

Prudential Indicators	A set of measures to be monitored and reported upon that demonstrate affordability, prudence and sustainability of capital expenditure and borrowing plans.
Prudent	The minimum the council has to do to ensure financial health, manage financial risks and deliver services.
Recharges	A charge made between services within the council.
Reserves	The total level of funds the authority has accumulated over the years. Earmarked reserves are allocated to a specific purpose or area of spending. Unallocated reserves (also known as balances) arise from an accumulation of previous years' surpluses and deficits and are available to support revenue expenditure.
Revenue contribution	Also known as Direct Revenue Financing or Revenue Contribution to Capital Outlay (RCCO) - resources provided by an authority's revenue budget to finance capital expenditure.
Revenue expenditure	Expenditure on the day-to-day running costs of services e.g. employees, premises, furniture and equipment.
Revenue support grant (RSG)	The main central government grant paid to each authority to finance its general expenditure, determined by an authority's FSS. The distribution of the grant between authorities is intended to allow the provision of similar standards of service throughout the country for a similar council tax levy.
Revised budget	The estimated outturn (expenditure against the original budget) within a particular financial year.
Ring fenced	This refers to the statutory requirement for certain funds to be separately maintained.
Risk management	A systematic and proactive way of evaluating potential risks and identifying practical ways in which those risks can be reduced or eliminated so that the objectives of the council can be achieved without interruption.
Risk management tool kit	A set of guidance on putting risk management into practice.
Risk register	A comprehensive list of risks to the delivery of services at a project, service, directorate or corporate level.
Service plans	A document setting out what a service plans to do for a specified time period. It gives clear direction about priorities and targets and sets out how they will be delivered.
Single status	A national agreement intended to remove the distinctions between the former manual and APT&C workers.
Subjective analysis	An analysis of expenditure by type of expenditure e.g. employees and premises.
Supported borrowing	Borrowing where interest and repayment costs are supported by government revenue grants.
Transfer payments	Payments to individuals for which no goods or services are received in return by the local authority e.g. care for the elderly.
Treasury management	Proactive management of the council's loans portfolio and cash flow, seeking to minimise interest on borrowing whilst maximising funds for capital expenditure to deliver the council's objectives.
Unsupported borrowing	Borrowing where interest and repayment costs are not supported by government revenue grants but are funded from within the council's revenue budget.
Working balance	The minimum financial "safety net" of an authority to protect it against unforeseen shortfalls in income or increases in expenditure throughout a particular financial year.