

## **Cabinet – 14 December 2016**

### **Draft Revenue Budget and Draft Capital Programme 2016/17 to 2019/20**

**Portfolio:** Councillor S. Coughlan – Leader of the Council (Lead Portfolio)

**Related Portfolios:** All

**Service:** Finance – council wide

**Wards:** All

**Key decision:** No

**Forward plan:** No

#### **1. Summary**

- 1.1 This report summarises the four year draft revenue budget and draft capital programme, including a revised cash limit for 2016/17 and cash limits for the three years up to 2019/20.
- 1.2 Draft revenue savings proposals have previously been distributed to overview and scrutiny committees and stakeholders for consultation. The final budget, including any changes following consideration of consultation feedback and equality impact assessment, and following receipt of final allocations of government funding, will be presented to Cabinet on 8 February 2017 for recommendation to Council, and will be considered by full Council on 23 February 2017.
- 1.3 This report includes the recommendations from each overview and scrutiny committee on draft revenue budget savings options, along with a progress update from resident and stakeholder consultation.
- 1.4 The Autumn Statement / Spending Review was announced on 23 November 2016 and funding implications arising from this announcement, as far as they are known, are included in this report.
- 1.5 The draft capital programme for 2017/18 totals £48.57m. It sets out new capital investment funded from the council's own resources of £11.90m (funded by capital receipts and borrowing) and externally funded schemes of £36.67m (funded by capital grants) and represents a balanced programme for 2017/18. In addition, the report sets out a further two years of indicative proposals for 2018/19 to 2019/20.
- 1.6 Despite reductions in capital funding in recent years and going forward, the draft capital programme contains significant investment into highways, education, and into adult social care and housing to support vulnerable households through Health through Warmth and provision of aids and adaptations. A reserve list of new projects is also reported, where funding could be redirected in year if available.

## **2. Recommendations**

Cabinet are requested to:

- 2.1 Note the latest forecast 2016/17 financial position and the impact of the 2016/17 position on the level of general reserves as set out in section 3.1, and actions to address this.
- 2.2 Note the financial assumptions and projections within the draft budget, the uncertainty around final funding and that these assumptions may change as the budget is finalised.
- 2.3 Note the provisional revenue cash limits by portfolio, and savings proposals 2016/17 to 2019/20 as outlined in the report to Cabinet on 26 October 2016 entitled 'Rebalancing the Budget: Options for Consultation', and that these saving proposals are currently out for consultation.
- 2.4 Note activity to date on public / stakeholder consultation as set out in this report and note that feedback from public consultation and equality impact assessments will be reported to Cabinet once complete, to allow Cabinet to review and revise their final budget recommendations to Council by February 2017.
- 2.5 Note a proposed council tax increase of 3.99% for each of the three years 2017/18 to 2019/20, the assumed level of reasonableness (inclusive of 2% precept for Social Care).
- 2.6 Note the funding reductions (3.3.11) and investment and cost pressures included in the draft budget (3.3.12 and Appendix 2).
- 2.7 Note the Secretary of State's confirmation that Walsall is now part of the Multi-Year Settlement offer.
- 2.8 Note the feedback from overview and scrutiny committees on revenue proposals to date and consider this feedback in preparation for final budget recommendations in February (Appendices 6a-6c).
- 2.9 Approve amendments to the 2016/17 capital programme as set out in section 3.4.1.
- 2.10 Approve the use of the 2016/17 £147k underspend to fund essential ICT works in year, as outlined in section 3.4.2.
- 2.11 Approve as a basis for consultation the current draft capital programme of £48.57m for 2017/18, and an indicative capital programme of £32.70m for 2018/19 and £32.87m for 2019/20, and refer the draft capital programme to all overview and scrutiny committees for consultation to enable their comments to be considered by Cabinet on 8 February 2017.

### 3. Report detail

#### 3.1 2016/17 Corporate Financial Performance - Update

3.1.1 The 2016/17 budget was approved by Council on 25 February 2016, and is monitored and reported throughout the year to address key risks and pressures as they arise. Cabinet receives regular financial reports to allow it to oversee the financial performance of the council.

3.1.2 A number of significant risks and pressures have emerged during 2016/17 that has required action to be taken to limit the council's exposure. After corrective action, there remains a predicted variance above budget of £6.54m, after the use of reserves and assuming successful delivery of action plans (based on the October forecast). To assist in reducing the current reported overspend, an 'Every Penny Counts' initiative was endorsed by Cabinet to review expenditure and ensure only spend crucial to delivery of council priority services is incurred. To date, this has realised £4.4m of underspends which are included in the forecast.

3.1.3 The main variances are summarised as follows: -

- *Children's Services* - current forecast overspend prior to mitigating action and use of reserves is £4.89m. In year actions totalling £3.2m have been delivered to date, including the use of earmarked reserves of £1.55m and restraint on expenditure of £1.02m, resulting in a remaining forecast overspend of £1.69m. The main pressures continue to be the rising cost of looked after children including residential placements, along with one off costs associated with new adoption orders.
- *Economy and Environment* - currently forecast to be underspent by £582k after initiating the every penny counts restraint on expenditure action. This is largely due to salary underspends, particularly in libraries, and general underspends across the directorate. This is partly offset by shortfalls in markets and planning income.
- *Change and Governance* - currently predicting an overspend of £2.49m prior to corrective action. General restraint on expenditure has released £1.11m, corrective action of £677k has been delivered, and a further £563k remains to be delivered in year, reducing the overspend to £150k. The main pressures relate to a shortfall in building design fees, increased maintenance costs and welfare reforms, partly offset by underspends within support services.
- *Adult Social Care* – currently forecasting an overspend of £7.55m prior to any corrective action. The restraint on expenditure has released £330k, corrective action of £1.26m have been delivered, with a further £136k to be delivered in year, reducing the overspend to £5.82m. The main pressures relate to placement and package costs arising from the increasingly ageing population and pressure from hospital admissions.
- *Central budgets* - currently forecasting an underspend of £525k, due to savings being made ahead of 2017/18 and a reduction in central leasing costs.

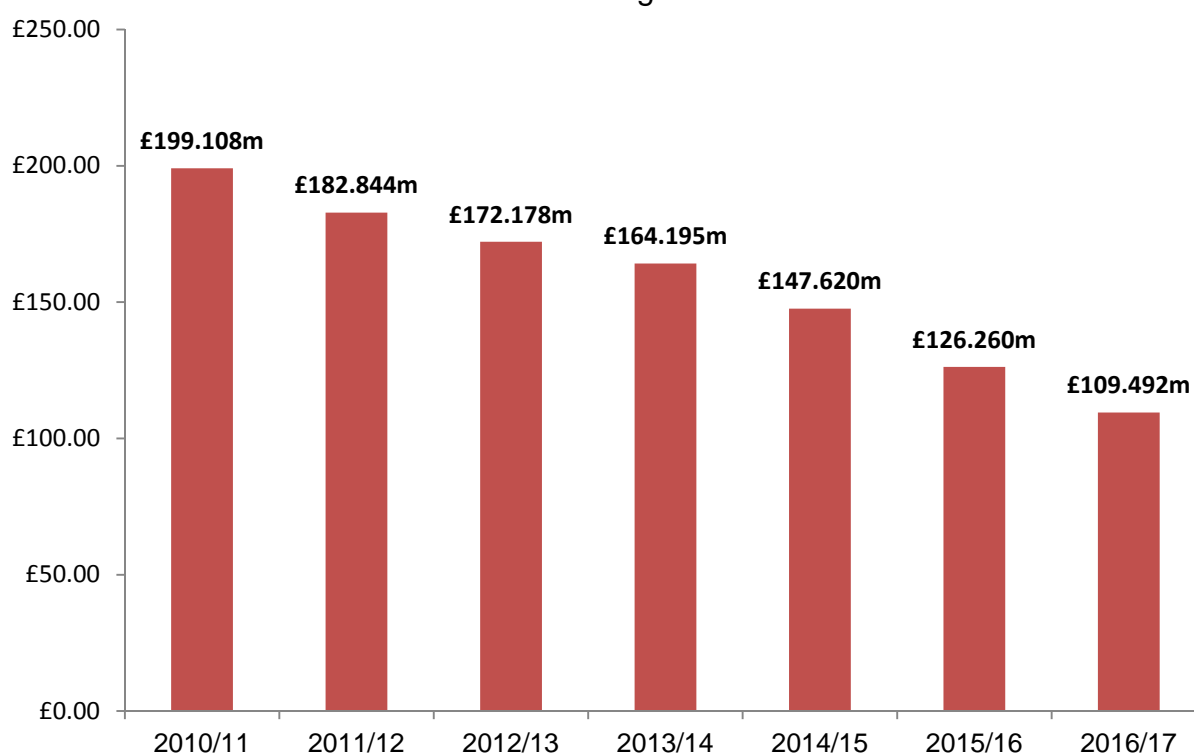
3.1.4 The above impacts on general reserve balances. General reserves were £14.131m as at 1 April 2016, of which £349k was approved by Council to be used to support the 2016/17 budget and £1.245m has been approved in year. A year end overspend of £6.545m would reduce reserves to £5.992m. The level of opening reserves, as

required by the medium term financial strategy, is c£6.2m. The maximum amount required is currently £12.4m. As the current level is forecast to be below the level required as at 1 April 2017, then replenishment will be undertaken as part of the budget setting process for 2017/18 and beyond. The final level of reserves recommended by the Chief Finance Officer will be reported to Cabinet and Council in February, and will be subject to a comprehensive and ongoing risk assessment of the robustness of budget estimates, the robustness of saving delivery plans, and an overall assessment of the level of current and future risk facing the organisation.

### 3.2 **Medium Term Financial Outlook - Financial Context**

3.2.1 The vast majority of Walsall's funding comes from Government grant. In 2010, Walsall received £199m of Government core funding support to deliver services, alongside income generated from council tax. Between 2010 and 2016, Government has cut funding by £90m. Alongside cost pressures over the same period savings totalling £137.5m have had to be implemented.

Government Funding 2010/11 to 2016/17



*Figures have been adjusted to add back any specific grants which have rolled into general funding*

By the end of the current Parliament, Walsall will be subject to a further reduction in revenue support grant of £28.21m, which, along with cost pressures, results in an additional savings requirement of £55m from 2017/18 to 2019/2020, on top of the £31m required for 2016/17 (£86m over the four years). Total forecasts for core funding are shown overleaf.

	<b>2016/17 £M</b>	<b>2017/18 £M</b>	<b>2018/19 £M</b>	<b>2019/20 £M</b>	<b>Total (Reduction) / Increase £M</b>
NNDR (BRR) Income adj for expected income collection	30.311	30.917	31.814	32.832	2.521
NNDR Top Up grant	33.421	34.079	35.084	36.205	2.784
Revenue Support Grant	45.759	33.757	25.687	17.551	(28.208)
<b>Total Cash Limit</b>	<b>109.491</b>	<b>98.752</b>	<b>92.584</b>	<b>86.589</b>	
<b>2017/18 Reduction</b>		<b>(10.739)</b>			
<b>2018/19 Reduction</b>			<b>(6.168)</b>		
<b>2019/20 Reduction</b>				<b>(5.995)</b>	
<b>Total Reduction</b>					<b>(22.903)</b>

By 2020/21 local government is expected to become fully self-funding, with core revenue support grant ceasing and the introduction of 100% localisation of business rate retention (BRR), (as opposed to the current 49%). The Government expects national increases in growth in rate yields to fully offset the reduction in core funding. The reality is that Walsall, due to its relative need and business rate yield, will be unable to fully cover this further significant funding shortfall.

In October, Cabinet approved that Walsall be part of the West Midlands Combined Authority (WMCA) 100% business rate retention (BRR) pilot. Government has indicated that this will be at 'no detriment' to participating authorities; however there remains some uncertainty as to the final impact of full BRR.

The council's next largest source of funding is council tax (16% of the council's gross spend is funded from council tax). Government has historically placed restrictions on the amount that can be raised from this income stream, previously through 'capping', and now through the referendum principles. The draft budget currently assumes council tax increases of 3.99% over the next three years, including a 2% adult social care precept, as allowed by Government.

Despite Walsall signing up to and being accepted for the multi-year settlement, future funding continues to be very challenging with significant uncertainties in future grant, including public health, better care fund, etc. Additionally, as part of BRR, the Government is consulting on transferring additional responsibilities to local authorities. This could lead to further pressures if these are not fully funded.

3.2.2 Alongside reductions in funding, the council also faces increasing cost pressures, due both to increasing demand (for example, as a result of welfare reforms reducing individuals disposable incomes further, larger numbers of older people requiring support to remain independent, etc) and new burdens imposed by Government, but without the corresponding funding. There are numerous cost pressures in the system, the most significant being;

- Looked after children numbers and costs. There were 488 in March 2011, compared to 629 in March 2016. Average costs of a care package for a looked after child at March 2016 was £497.48 per week.
- Childrens social worker post costs - arising from recruitment difficulties.

- Adult social care packages and placements costs. These have risen by £10.64m in 5 years from £56.21m in 2010/11 to £66.85m in 2016/17.

Further information on cost pressures and how these are being managed within the medium term financial outlook are outlined in the Investment section of this report (3.3.12).

### **3.3 Draft Revenue Budget 2016/17 to 2019/20**

- 3.3.1 Revenue savings proposals for 2017/18 to 2019/20 were reported to Cabinet on 26 October 2016 entitled 'Rebalancing the Budget: Options for Consultation'. These were referred for public consultation.
- 3.3.2 This report contains the first draft revenue budget including:
- Funding assumptions and changes, including core, specific and income arising from council tax and fees and changes,
  - Provision for investment and cost pressures,
  - Revenue savings proposals as report to October Cabinet
- 3.3.3 The report includes a revised cash limit for 2016/17 and provisional cash limits for 2017/18 to 2019/20. 2016/17 has been provisionally revised to correct the current overspend situation and virements will be undertaken once approved by Council.
- 3.3.4 The 2016/17 budget has been revised to reflect ongoing changes in council demand, specifically within Adult Social Care for supporting an increased ageing population, and increased numbers of looked after children and placement costs within Children's Services. The current ongoing pressures which has resulted in this overspend are being corrected on an ongoing basis as part of the 2017/18 plus budget setting process.
- 3.3.5 The budget is an evolving process, with recognition that proposals may change as the budget develops. The council awaits publication of the draft settlement for 2017/18 (and future years following acceptance of the council's application for a Multi-Year Settlement agreement) which may have implications on the current proposals, and will be reported in the final draft budget report to Cabinet on 8 February 2017.
- 3.3.6 The 2017/18 revenue budget is constructed in accordance with the council's medium term financial strategy (MTFS), the Corporate Plan, and all relevant corporate financial protocols, using known and estimated pressures, and best professional judgements. It is recognised that these assumptions may change and assumptions are reviewed frequently, robustly risk assessed and updated as appropriate. These assumptions are underpinned by a set of core financial principles (as set out in the MTFS) which include:
- A. Our financial planning will be inextricably linked to the council's strategic and corporate planning process. Our financial plans will reflect the councils' key strategic priorities
  - B. A longer term approach to financial planning and budget setting, allowing for a more strategic focus to service re-design and savings aligned to the longer term priorities of the council
  - C. A focus on the need to deliver significant efficiencies savings over the period

- D. A prudent assessment of future resources and cost pressures, provisions and reserves required to mitigate future liabilities
- E. Maximisation of income and external funding and prompt collection of income

Key financial planning assumptions within the current MTFO include:

- Core government funding as published in February 2016, for the four year period, adjusted for actual growth in business rates retention for 2016/17
- Business rate income assumed to be inflated broadly in line with CPI, flexed each year, adjusted for estimated yields, including provision for appeals, etc,
- A council tax increase of 3.99% in 2016/17 and in each of the three years to 2019/20, of which 2% is ring-fenced to adult social care
- An annual increase in the council tax base, subject to council tax support
- Council tax collection rate of 98%
- Benchmarked increases in fees and charges, flexed for local conditions, and full cost recovery of traded services
- Inflationary increases for contractual inflation, in line with contract terms and conditions
- Full provision for pay, living wage and pension costs, including increases arising from the 2016 pension valuation and government pay policy and changes
- Provision for investment in key services, including significant provision for increasing demand in adult social care services
- Opening general reserve set at, at least the minimum required within the council's MTFS

For 2017/18, this means;

- A total draft net council tax requirement of £106.43m, with a 3.99% increase in council tax (inclusive of 2% earmarked for Social Care),
- Provision for investment, service and corporate cost pressures of £26.14m,
- Use of general and earmarked reserves of £4.86m,
- Policy and Operational savings of £25.14m

## **Government Funding**

- 3.3.7 There remains considerable uncertainty in respect of the amount of income we will receive in Government funding from 2017/18 onwards, despite Government confirmation that Walsall is part of the multi-year settlement. The Autumn Statement was announced on 23 November 2016, however there were few key points relating to Local Government and the Chancellor reiterated that departmental spending plans remain in line with those previously published. The Government confirmed that it has changed its commitment to eliminate the current deficit by the end of this parliament. It is now forecasting a deficit of £21.9bn in 2019/20 as opposed to the surplus of £10.4bn previously forecast. There is still a commitment to return a surplus but this will now be as soon as is possible in the next parliament.
- 3.3.8 Government are expected to announce details of the financial settlement to local authorities' for 2017/18 onwards in December. Should the final allocation be less than current estimates, revised options for ensuring a balanced budget will need to be brought back for Cabinet consideration as the budget develops and information is published.

3.3.9 Uncertainty also surrounds the future treatment of the Better Care Fund (BCF) and Public Health grants, the latter currently being consulted on with respect to being subsumed within the BRR scheme by 2020. There continue to be reports (unsubstantiated so far) that BCF may reduce or be subsumed into other funding streams. The combined value of these by 2020 is £50m, therefore, any significant shift or reduction will have major consequences for the authority and require a full review of our MTFO assumptions.

### 3.3.10 Changes in other Specific Grants

The following specific grants are also awaited, along with the assumptions built into the draft budget

- New Homes Bonus – a predicted reduction of £1.95m over the next 3 years as the grant is expected to be paid over a reduced period from 6 to 4 years
- Public Health - a reduction of £1.4m over the next 3 years
- DSG - allocated based on schools funding formula - to be paid directly to schools from 2019/20
- Housing Benefit grant expected to reduce annually as the Benefit moves to Universal Credit
- Discretionary Housing Payments - expected reduction of 20% per annum
- Other grants are expected to continue at current levels unless informed otherwise
- Forecast £10m increase in BCF expected from 2016/17 to 2019/20

### 3.3.11 **Collection Fund**

The collection fund is accounted for separately to the revenue general fund and includes accounts for income collected from council tax and business rates. In January of each financial year, an in-depth appraisal is undertaken to assess the estimated level of collection (as aggregated to include that relating to the current and previous years), the likely balance of the fund and to advise the precepting authorities (Fire and Police) of their share of the council tax surplus/deficit to enable them to take this into account in their own budget calculations. The results of the assessment to be undertaken in January 2017 will be included in the final budget report to Cabinet on 8 February 2017.

- a) *Council tax* - the draft budget assumes an ongoing increase of 3.99% in council tax, to remain within existing referendum levels, 2% of which is allocated as a precept to fund Adult Social Care services. Additionally, any changes to the council tax reduction scheme impact on the collection fund.

In 2013, council tax benefit grant was replaced with a localised council tax reduction scheme to be administered by local authorities. The funding also transferred from grant to revenue support grant, and at the same time, a 10% reduction was applied. The cost of providing this is reflected in a reduced council tax base and this therefore reduces the level of income collectable from council tax. The scheme, currently offering a 25% reduction to eligible council tax payers, represents a significant cost to the council. A report on the scheme was presented to Cabinet in September and options are currently being consulted on around the level of discount applied, for inclusion as part of the budget from 1 April 2017.



- b) *Business Rates* – As mentioned earlier in the report, Walsall will participate in the West Midlands Combined Authority business rates pilot. Walsall is a significant top up authority (meaning we are a net drawer from the central element of the business rates funding, receiving £33.4m in grant in 2016/17). The pilot should allow us to assess this impact quicker than we would otherwise be able to.

The valuation office has recently published the draft rating list for the 2017 revaluation - carried out to update the valuations of assessments to reflect the changing rental market. The definition of an assessment's rateable value is an amount which reflects:

*'the rent at which it is estimated the hereditament might be expected to let from year to year if the tenant undertook to pay all tenants rates and taxes and to bear the cost of the repairs and insurance and the other expenses necessary to maintain the hereditament in a state to command that rent'*

For Walsall, the total of the rateable value of the new draft list is £191,269,949 compared to £175,241,999. This is a 9.1% increase, which is in line with the national average and above the West Midlands average. Although this increase has resulted in Walsall's total value increasing more than the West Midlands average, it does however result in the authority having a greater risk to its finances if this assessment was subject to any substantial successful appeal.

Comparison of actual business rates income compared with what the Government anticipate the council to collect, along with provision for appeals against rate valuations, shows that historically, actual income is lower than Government estimates. We will continue to assess the implications of the new valuation list, plus the anticipated level of appeals, and the outcome will be reflected in the final budget in February.

### 3.3.12 Investment and Funding of Cost Pressures

The draft budget for 2017/18 includes provision for investment and cost pressures of £26.14m, as shown in **Appendix 2**, which are proposed to address known service demand pressures linked to council priorities in the Council's Corporate Plan, and the prioritisation of key services. The following are provided for:

1 *Provision for pay and pensions;*

- 1% pay increase per annum and provision for pay increments
- Provision for the national living wage
- Impact of pension auto-enrolment and tri-annual employer pensions contributions based on the latest valuation information
- Increase in national insurance employers contributions following government policy changes

The council is awaiting the final outcome of the 2016 Pension Fund tri-annual valuation. Discussions with the Fund are ongoing and include various options for payment. These include making further pensions contributions towards the past service deficit to reduce the overall costs and secure ongoing budget reductions.

- 2 *Inflationary pressures;*
  - Provision for contractual increases including utilities, care packages, etc.
  - No provision for general inflation – services are required to manage this within existing budgets
- 3 *Demographic changes within Adult Social Care and Children's Services;*
  - Increases in placement costs for Looked after children
  - Increased social workers to manage down caseloads
  - Increased care package costs within Adult Social Care arising from an increased ageing population and the pressure from hospital admissions
- 4 *Other cost pressures;*
  - Ongoing shortfalls in income for planning, markets, and building design fees
  - Review of maintenance costs for council buildings
  - Provision for the Government imposed new apprenticeship levy to be paid from April 2017

3.3.13 The movements in the council tax requirement from 2016/17 to 2019/20 are shown in **table 1**, including any corresponding fall out of previous year's one-off use of reserves.

<b>Table 1 : Council Tax requirement 2016/17 – 2019/20 (Movements)</b>				
	<b>2016/17 *</b> <b>£m</b>	<b>2017/18</b> <b>£m</b>	<b>2018/19</b> <b>£m</b>	<b>2019/20</b> <b>£m</b>
<b>Council tax Requirement</b>	<b>93.70</b>	<b>100.99</b>	<b>106.43</b>	<b>110.96</b>
<i>Cost Pressures:</i>				
Investment / cost pressures ( <i>see Appendix 2</i> )	26.25	26.14	14.76	12.95
Base budget adjustment	2.27	(10.28)	(4.70)	12.26
Savings approved for 2016/17 (Feb 16)	(25.11)	0.00	0.00	0.00
Policy savings ( <i>see Appendix 3</i> )	0.00	(16.00)	(9.67)	(18.05)
Operational savings ( <i>see Appendix 4</i> )	0.00	(9.14)	(2.86)	(3.36)
Changes to grant / income	1.30	(0.44)	(3.81)	(3.82)
<i>Funding changes:</i>				
Revenue Support Grant	15.02	12.00	8.07	8.14
Business Rates	(0.29)	(3.20)	(0.52)	(0.53)
Top Up Grant	(0.28)	(0.66)	(1.00)	(1.12)
Collection fund (surplus) / deficit	(2.89)	2.90	0.50	0.00
Use of reserves – looked after children	0.00	(1.00)	1.00	0.00
Use of reserves – growth programme	0.00	(1.27)	1.27	0.00
Use of reserves – Pension reserve	0.00	(1.84)	(0.53)	(0.50)
Use of reserves – Public Health	0.00	(0.75)	0.75	0.00
One off use of general reserves – 2016/17	(0.35)	0.35	0.00	0.00
Use of earmarked reserves – 2016/17	(2.15)	2.15	0.00	0.00
Replenishment of growth reserve	0.00	0.00	1.27	(1.27)
Use of reserves - 2016/17 overspend	(6.48)	6.48	0.00	0.00
<b>Revised Council Tax Requirement</b>	<b>100.99</b>	<b>106.43</b>	<b>110.96</b>	<b>115.66</b>
Council Tax Increase – General	1.99%	1.99%	1.99%	1.99%
Council Tax Increase – Adult Social Care	2.00%	2.00%	2.00%	2.00%

3.3.14 The revised revenue cash limits for 2016/17 and provisional cash limits for 2017/18 to 2019/20 by portfolio are shown at **Appendix 1**, and summarised in **table 2** below.

<b>Table 2 : Cash Limits by Portfolio</b>				
<b>Portfolio</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Leader of the Council	6.50	4.55	5.66	5.16
Children's Services and Education	57.94	58.25	57.68	57.11
Clean and Green	19.75	18.01	17.50	16.61
Community, Leisure and Culture	11.90	7.75	6.46	4.65
Health	0.53	0.31	0.29	(1.44)
Personnel and Business Support	4.43	2.56	2.22	2.10
Regeneration	20.41	19.33	18.45	16.65
Social Care	81.95	77.48	70.39	62.51
<b>Net Portfolio Cash Limits</b>	<b>203.41</b>	<b>188.24</b>	<b>178.65</b>	<b>163.35</b>
Levies	12.26	12.00	11.86	11.86
Central budgets *	(108.20)	(100.29)	(79.55)	(59.55)
Use of general reserves to fund overspend	(6.48)	6.48	0.00	0.00
<b>Council Tax Requirement</b>	<b>100.99</b>	<b>106.43</b>	<b>110.96</b>	<b>115.66</b>

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

### 3.3.15 Saving Proposals

Savings proposals were reported to Cabinet on 26 October 2016, split into two categories, as referred to in table 1 above:

1. *Policy Options* - with a direct impact on services, and which require an Executive decision to proceed, and which are now out for public consultation and equality impact assessment. Feedback will be reported to Cabinet to allow them to consider them and to inform Cabinet's final budget proposals. The "Policy Options" are as shown in **Appendix 3**.
2. *Operational Options* – savings which officers have delegations to implement; examples include restructures, back office savings, operational efficiencies – the list of options shown in **Appendix 4**.

## 3.4 Draft Capital Programme 2016/17 to 2019/20

### Capital Programme 2016/17 – Amendments

- 3.4.1 The capital programme reported to Cabinet on 26 October 2016 totalled £94.4m. **Table 3** overleaf shows requested amendments, resulting in a revised programme of £94.49m, which Cabinet are asked to approve.
- 3.4.2 The council funded element of the capital programme currently shows a predicted underspend of c£147k. Cabinet are asked to endorse the recommendations of Asset Strategy Group to fund the following essential ICT schemes in 2016/17 from this underspend:
  - Service improvement - cyber security (£81k)
  - Essential investment for payment card industry data security standards (£6k)

- Essential investment replacement open source (£10k)
- Council House cellar tanking (£50k)

<b>Table 3 : Amendments to Capital Programme 2016/17</b>	
<b>Project</b>	<b>£m</b>
<b>Capital programme 2016/17 per Cabinet 26 October 16</b>	<b>94.40</b>
<b>Council Funded Resources</b>	
Pocket Parks Chuckery Green and Edible Garden	0.01
HR iTrent upgrade	0.02
Rushall Skate Park (RCCO)	(0.01)
Payroll Server	0.03
Integrated Community Equipment Service Office Accommodation	(0.03)
<b>Externally Funded</b>	
Black Country Enterprise Zone	0.01
Accessing Growth	0.03
<b>Revised capital programme 2016/17</b>	<b>94.49</b>

### **Capital Programme 2017/18 to 2019/20**

- 3.4.3 Capital programme resources are limited. The financing for capital investment is heavily reliant on grants and other funding received from the Government. The success that Walsall has had in securing a wide range of external funding may be harder to achieve as many of the sources of funding may stop or reduce.
- 3.4.4 The remaining flexibility is currently through capital receipts and borrowing. Capital receipts projections however are limited, and fully dependent on when council assets are sold. Earmarking of capital receipts beyond what we are statutorily obliged to do is not recommended without overall strategic consideration of the entire capital programme. Use of unsupported borrowing incurs ongoing revenue debt charges and impacts on council tax payers.
- 3.4.5 Capital allocations and grants from Government and other sources have not yet been provided, therefore best estimates have been used, based on published information to date. Any further reduction in funding will require amendments to the draft programme.
- 3.4.6 Despite the above difficulties, significant investment is planned and funded over the three years 2017/18 to 2019/20 and the draft capital programme is balanced for each year, subject to annual review. The council is able to fund existing commitments and has, through prioritisation of bids and resources and sound treasury management, been able to support new investment into key services, and areas of capital investment need.
- 3.4.7 The capital programme is presented in three parts:
- Council funded programme - funded by the council's own resources, through borrowing, revenue contributions and receipts.
  - Externally funded programme - funded from capital grants and third party contributions.
  - Leasing Programme – funded from revenue

3.4.8 **Table 4** shows the draft capital programme against predicted available resources.

<b>Table 4 : Draft Capital Programme</b>				
	<b><u>2016/17</u></b>	<b><u>2017/18</u></b>	<b><u>2018/19</u></b>	<b><u>2019/20</u></b>
<b><u>Anticipated Capital Resources</u></b>	<b><u>£m</u></b>	<b><u>£m</u></b>	<b><u>£m</u></b>	<b><u>£m</u></b>
Capital Receipts	1.50	1.50	1.50	1.50
Borrowing	4.46	5.40	5.40	5.40
Prudential borrowing (Active Living)	1.88	0.00	0.00	0.00
Prudential borrowing (Smarter Workplaces)	0.22	0.00	0.00	0.00
Prudential borrowing (Wheeled Bins)	0.38	0.00	0.00	0.00
Prudential borrowing (Libraries)	0.11	0.00	0.00	0.00
Uncommitted 2014-15 & 2015-16 underspend	1.72	0.00	0.00	0.00
Use of Reserves / Contingency	0.48	1.10	0.00	0.00
Revenue contribution to capital	1.10	0.11	0.04	0.04
Additional borrowing / receipts	0.00	3.79	4.45	0.03
<b>Total council funded resources</b>	<b>11.85</b>	<b>11.90</b>	<b>11.39</b>	<b>6.97</b>
External Funding	60.48	36.67	21.31	25.90
<b>Total council funded resources</b>	<b>72.33</b>	<b>48.57</b>	<b>32.70</b>	<b>32.87</b>
<b><u>Capital Bids</u></b>				
Prior Year Approvals	2.98	0.81	1.73	0.20
Rolling Programme Schemes	4.99	3.62	3.62	3.62
New capital bids	3.13	6.72	5.29	2.40
Council wide bids	0.75	0.75	0.75	0.75
<b>Total council funded schemes</b>	<b>11.85</b>	<b>11.90</b>	<b>11.39</b>	<b>6.97</b>
Externally funded schemes	60.48	36.67	21.31	25.90
<b>Total Draft Capital Programme</b>	<b>72.33</b>	<b>48.57</b>	<b>32.70</b>	<b>32.87</b>
<b>Funding shortfall (surplus)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

3.4.9 The list of schemes included in the draft capital programme for 2017/18 to 2019/20 are shown by portfolio in **Appendix 5**, and summarised in **table 5** as follows:

<b>Table 5 : Draft Capital Programme by portfolio</b>			
<b>Portfolio</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Children's Services and Education	10.86	6.88	6.88
Clean and Green	0.05	0.10	0.00
Community, Leisure and Culture	0.47	2.39	0.41
Personnel and Business Support	3.32	1.69	0.96
Regeneration	28.02	17.09	20.15
Social Care	5.10	3.80	3.72
Centrally held budgets *	0.75	0.75	0.75
<b>Total draft capital programme</b>	<b>48.57</b>	<b>32.70</b>	<b>32.87</b>

*\*Centrally held relates to funding to support essential works, including health and safety e.g. LSVT retained housing land, asbestos removal, statutory testing, legionella, fire risk, demolition of redundant buildings, planned maintenance, risk management and self insured property damage.*

- 3.4.10 It is predicted that all high priority bids contained in **Appendix 5** for 2017/18 can be funded. A further review of proposed schemes will be required before capital allocations are released in year. For 2018/19 onwards, the full impact of these projects will be reviewed, and funding revisited as part of the rolling annual budget process. There may be a number of schemes that will require match funding in year to secure external resources, which will be reviewed in year and funds drawn down as projects are confirmed.
- 3.4.11 Capital receipts projections are based on professional estimates of property colleagues. Any additional receipts received in year (excluding those earmarked for specific schemes) will be considered to fund projects identified on the reserve list of schemes. Reserve list schemes are referred to in **Appendix 5**.
- 3.4.12 General borrowing is funded from the council's own resources – generated through savings, and/or paid for via the council tax. Council's are allowed to borrow in accordance with the Treasury Management Code of Practice. The current capital financing cash limit is forecast to be able to support £5.4m of additional borrowing to fund high priority items in 2017/18.
- 3.4.13 As well as those in the draft programme, there are a number of large capital schemes that are in development or planning stages. It is expected that as individual business cases are developed and considered by Cabinet and/or Council, they are then included in the latest update of the draft capital programme if they are deemed to be a high priority and affordable. Funding for these will need to be identified and may be through a combination of borrowing and/ or other contributions. Where practical, a payback agreement will be implemented, whereby projects should, wherever possible be self funded over the life of the project and beyond. These will include Sneyd, Family Contact Centre, EDC, Street Lighting, Pheonix 10.
- 3.4.14 For externally funded schemes, where a bidding process is required, it is assumed the full cost of the project is met from external grant and/or third party contributions. If it becomes clear during the process that this is not the case, the project cannot proceed if the external funds cannot be sourced.

#### 3.4.15 Draft Leasing Programme 2017/18

Leasing minimises the call on capital resources by spreading the acquisition cost over some years. Revenue funds are needed to finance operating leases. The 2017/18 draft leasing programme is summarised in **table 6** below by portfolio and will form part of the final budget report to Cabinet. The revenue implications of the leasing programme of £1.295m for 2017/18 are already included in the draft revenue budget.

<b>Table 6 : Draft Leasing Programme 2017/18 by Portfolio</b>		
		<b>Revenue</b>
<b>Portfolio</b>	<b>Asset cost</b>	<b>Leasing</b>
	<b>£m</b>	<b>£m</b>
<b>Clean &amp; Green</b>		
Refuse Vehicles	0.13	0.37
Light Commercial Vehicles	0.95	0.48

		Revenue
Portfolio	Asset cost	Leasing
Clean & Green	£m	£m
Tractors & Agricultural Machinery	0.05	0.19
Welfare Vehicles	0.36	0.06
<b>Sub total</b>	<b>1.49</b>	<b>1.10</b>
Community, Leisure & Culture		
Equipment	0.00	0.20
<b>Total Leasing</b>	<b>1.49</b>	<b>1.30</b>

The prudential system allows borrowing to fund the purchase of leased items. This expenditure is treated as capital expenditure and not revenue. The decision to lease or buy depends on several variables, for example, the costs of borrowing and the residual value of the asset at the end of its leased life. Before each drawdown, a review is undertaken of which financing approach is most appropriate. A rigorous evaluation is then undertaken before a decision to lease or buy is made, ensuring value for money.

The prudential system requires the setting of indicators for the likely level of capital expenditure each year. Decisions to lease or buy cause total expenditure to fluctuate during the year. Therefore regular monitoring reports to Cabinet and Corporate Management Team on the council's financial performance will include prudential indicators.

#### 4. Council priorities

- 4.1 The Corporate Plan drives the budget process which aims to support delivery of council priorities within available resources. It aims to achieve this through the delivery of efficiencies, income reviews and service reviews and redesign to redirect existing and reducing resources to areas of high council priority.

#### 5. Risk management

- 5.1 The budget process is governed by the overarching medium term financial strategy. Risk management is an integral part of this activity and is embedded in budget preparation, monitoring and forecasting to enable potential budget variances and risks to be identified early and addressed.
- 5.2 There is a significant amount of uncertainty around Government funding for 2017/18 and beyond, with a high likelihood that austerity measures will be tightened or extended. The medium term financial outlook will need to be updated once these measures are confirmed.
- 5.3 The budget is risk assessed and this is used to formulate the recommended level of contingencies and reserves. The outcome of this will be reported to Cabinet and Council in the final budget report, along with a recommended opening level of general reserves.

## **6. Financial implications**

- 6.1 The council must set a balanced budget to meet its legal requirements.

## **7. Legal implications**

- 7.1 There are a number of statutory requirements which must be taken into account when the Cabinet makes recommendations to Council on the council tax requirement for 2017/18.
- 7.2 The legal duty for a council's finances falls within s151 of the Local Government Act 1972. Arrangements for the proper administration of their affairs is secured by the s151 Officer (the Chief Financial Officer).
- 7.3 Under the Local Government Act 2003 (s25), an authority must set a council tax and balanced budget, giving 14 days notice of the council tax level prior to the date of billing. The council must set a budget before 11 March of each year. This will include the Chief Financial Officer's report that deals with the robustness of the budget and the adequacy of the reserves for which the budget provides, together with an assessment of risk.
- 7.4 Local Authority Accounting Panel Bulletin 77, issued by CIPFA in November 2008, outlines the guidance on reserves. Whilst this does not prescribe an appropriate level of reserves, leaving this to the discretion of individual authorities, it does set out a number of important principles in determining the adequacy of reserves. It emphasises that decisions on the level of reserves must be consistent with the council's MTFs, and have regard to the level of risk in budget plans, and the council's financial management arrangements (including strategies to address risk).
- 7.5 The collection fund and council tax base are governed by Statutory Instrument 2012 No.2914 of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. The council is legally obliged to set the council tax base and notify the precepting authorities by 31 January each year.
- 7.6 In addition, section 114 of the Local Government Finance Act 1988 requires the Chief Financial Officer to '...make a report ... if it appears to him that the Authority, a committee or officer of the Authority, or a joint committee on which the Authority is represented':
  - a) has made or is about to make a decision which involves or would involve the Authority incurring expenditure which is unlawful,
  - (b) has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Authority, or
  - (c) is about to enter an item of account the entry of which is unlawful.
- 7.7 The CFO must make a report under s114 if, in his opinion, the expenditure of the Authority incurred or about to be incurred in a financial year is likely to exceed the income available to it to meet its expenditure. The report on the robustness of the budget estimates and the adequacy of reserves, and the budget risk assessment informing decisions on the adequacy of the level of reserves to hold, are key



## **8. Property implications**

- 8.1 Any direct property implications as a result of service redesign and revenue savings proposals will be assessed as part of the council's strategic property review.

## **9. Staffing implications**

- 9.1 There will be staffing implications arising from this report, and consultation with employees and unions has commenced in accordance with statutory and council procedures. Approximately 430 posts are proposed to be deleted from the establishment, of which 133 are vacant. Compulsory redundancies will be mitigated as far as possible through the seeking of voluntary redundancies and through access to redeployment. Appropriate support mechanisms will be made available to all employees who are at risk of and selected for redundancy.

## **10. Equality implications**

- 10.1 An equality impact assessment is undertaken on proposals as they develop and on the overall budget. Implications along with any required action are reported as assessments are finalised. This will give Cabinet appropriate time and opportunity to then consider any revisions required to the budget as it progresses and is finalised for inclusion in the final budget report to Cabinet on 8 February 2017.

## **11. Consultation**

- 11.1 Section 138 of the Local Government and Public involvement in Health Act 2007 placed a general duty on every local authority in England to take such steps as it considers appropriate to secure that representatives of local persons (or of local persons of a particular description) are involved in the exercise of any of its functions, among other things by being consulted about the exercise of the function. The 2010 Equality Act whilst not imposing a specific duty to consult, lays a requirement to have due regard to the equality impact when exercising its function.
- 11.2 Consultation is an integral part of the budget process and a wide programme of consultation is underway to consult and engage with a wide range of stakeholders (i.e. councillors, council tax payers, service users, and potential service users as appropriate, Non-Domestic Rate payers, voluntary and community organisations, etc.).
- 11.3 Cabinet referred all savings proposals with a direct impact on services for public consultation in October – details of which are on the 'budget have your say' page of the council's website. Service specific consultation related to individual saving options remains ongoing and will be reported to Cabinet to allow them to consider these and to inform Cabinet's final budget recommendations to Council for February 2017.
- 11.4 All overview and scrutiny committees have received the draft revenue budget options for consultation in respect of the portfolio of services falling within their remit, and their recommendations are reported at **Appendix 6**. Committees will

receive and consider any revisions to the draft budget proposals during January 2017, with further recommendations to be reported back for Cabinet to consider in producing their final budget recommendations on 8 February 2016.

- 11.5 Since 27 October 2016, consultation on proposed changes to services has been taking place and remains ongoing. Findings along with equality impact assessments will be reported to Cabinet for their consideration and to inform Cabinet's final budget recommendations to Council in February 2017. **Appendix 7** provides more detail on the ongoing consultation process and activity to date.

**Background papers:** Various financial working papers.

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James Walsh  
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06 December 2016



Councillor S, Coughlan  
Leader of the Council  
06 December 2016

#### Appendices: -

- 1 Revenue cash limit 2016/17 to 2019/20 by portfolio
- 2 Summary of investments / service cost pressures
- 3 Summary of revenue policy savings by portfolio for consultation
- 4 Summary of revenue operational savings by portfolio – as approved by Cabinet  
26 October 2016
- 5 Draft Capital Programme 2017/18 to 2019/20 by portfolio
- 6 Feedback from Overview and Scrutiny Committees -
  - 1a Social Care and Health
  - 1b Education and Children's
  - 1c Corporate and Public Services
- 7 Summary of consultation findings to date

## Revenue Cash Limit 2016/17 to 2019/20 by Portfolio

This appendix outlines the provisional cash limits by portfolio, subject to formal approval and reallocation of central costs / savings.

### 1. *Leader of the Council Portfolio*

Overall responsibility for Council strategy, the corporate plan, communications and public relations, emergency planning, government relations and liaison with local MPs and West Midlands leaders. Association of Black Country Authorities and Black Country Joint Committee. Strategic and operational financial management and administration, insurance, risk management, policy led budgeting. Financial Regulations, Audit, Legal and Democratic Services, Performance, Member Development.

<b>Leader of the Council Portfolio Cash limit 2016/17 – 2019/20</b>				
	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Opening cash limit	6.46	6.50	4.55	5.66
Base budget adjustments including funding changes	(0.04)	(0.58)	0.03	(0.22)
Investment – see Appendix 2		0.08	1.70	0.16
Less: Policy Savings – see Appendix 3		(0.04)	(0.02)	
Less: Operational Savings – see Appendix 4		(1.41)	(0.60)	(0.44)
<b>Revised cash limit</b>	<b>6.50</b>	<b>4.55</b>	<b>5.66</b>	<b>5.16</b>

### 2. *Children's Services and Education Portfolio*

Services for children in need of help and protection, children looked after and care leavers, education services, interagency cooperation, involvement of children and young people, youth parliament, children's trust arrangements, youth offending services, youth service, schools meals commissioning, transition arrangements with Adult Social Care. Adult learning, catering services.

<b>Children's Services and Education Portfolio Cash limit 2016/17 – 2019/20</b>				
	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Opening cash limit	56.25	57.94	58.25	57.68
Base budget adjustments including funding changes	1.69	(1.76)	(0.13)	(0.03)
Investment – see Appendix 2		5.50	2.07	2.80
Less: Policy Savings – see Appendix 3		(1.78)	(1.68)	(2.33)
Less: Operational Savings – see Appendix 4		(1.65)	(0.83)	(1.01)
<b>Revised cash limit</b>	<b>57.94</b>	<b>58.25</b>	<b>57.68</b>	<b>57.11</b>

### 3. *Clean and Green Portfolio*

Gateways and corridors, pollution control, waste strategy, refuse collection, recycling, street cleaning, parks and the Council's vehicle fleet.

<b>Clean and Green Portfolio Cash limit 2016/17 – 2019/20</b>				
	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Opening cash limit	19.88	19.75	18.01	17.50
Base budget adjustments including funding changes	(0.13)	0.08	(0.03)	(0.03)
Investment – see Appendix 2		0.22	0.03	0.02
Less: Policy Savings – see Appendix 3		(1.19)	(0.45)	(0.84)
Less: Operational Savings – see Appendix 4		(0.85)	(0.06)	(0.04)
<b>Revised cash limit</b>	<b>19.75</b>	<b>18.01</b>	<b>17.50</b>	<b>16.61</b>

### 4. *Community, Leisure and Culture Portfolio*

Area co-ordination, community engagement and consultation, community associations, voluntary and community sectors, leisure and culture services including the New Art Gallery, libraries, sports and museums. Cemeteries and crematoria. Community Safety, Safer Walsall Partnership, public protection.

<b>Community, Leisure and Culture Portfolio Cash limit 2016/17 – 2019/20</b>				
	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Opening cash limit	12.87	11.90	7.75	6.46
Base budget adjustments including funding changes	(0.97)	0.95		
Investment – see Appendix 2		0.11	0.01	0.12
Less: Policy Savings – see Appendix 3		(3.82)	(0.98)	(1.53)
Less: Operational Savings – see Appendix 4		(1.39)	(0.32)	(0.40)
<b>Revised cash limit</b>	<b>11.90</b>	<b>7.75</b>	<b>6.46</b>	<b>4.65</b>

### 5. *Health Portfolio*

Public health, Health and Wellbeing Board

<b>Health Portfolio Cash limit 2016/17 – 2019/20</b>				
	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Opening cash limit	0.53	0.53	0.31	0.29
Base budget adjustments including funding changes		0.91	0.45	0.44
Investment – see Appendix 2				
Less: Policy Savings – see Appendix 3		(1.05)	(0.47)	(2.06)
Less: Operational Savings – see Appendix 4		(0.08)		(0.11)
<b>Revised cash limit</b>	<b>0.53</b>	<b>0.31</b>	<b>0.29</b>	<b>(1.44)</b>

## **6. Personnel and Business Support Portfolio**

Issues relating to governance and decision making processes including the corporate plan. HR function, shared services, including ICT, procurement, facilities management.

<b>Personnel and Business Support Portfolio Cash limit 2016/17 – 2019/20</b>				
	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Opening cash limit	3.35	4.43	2.56	2.22
Base budget adjustments including funding changes	1.08	(1.08)	(0.17)	
Investment – see Appendix 2		1.21		
Less: Policy Savings – see Appendix 3		(0.11)		
Less: Operational Savings – see Appendix 4		(1.89)	(0.17)	(0.12)
<b>Revised cash limit</b>	<b>4.43</b>	<b>2.56</b>	<b>2.22</b>	<b>2.10</b>

## **7. Regeneration Portfolio**

Economic development, physical development, markets, property and asset management, Black Country Consortium, sub regional regeneration issues. Town and district centres, planning policy and local development framework. Strategic housing role. Traffic and transportation, car parks, strategic transport and highways. Business liaison and skills

<b>Regeneration Portfolio Cash limit 2016/17 – 2019/20</b>				
	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Opening cash limit	20.03	20.41	19.33	18.45
Base budget adjustments including funding changes	0.38	(0.41)	(0.02)	(0.02)
Investment – see Appendix 2		0.45	0.14	0.23
Less: Policy Savings – see Appendix 3		(0.50)	(0.43)	(1.53)
Less: Operational Savings – see Appendix 4		(0.62)	(0.57)	(0.48)
<b>Revised cash limit</b>	<b>20.41</b>	<b>19.33</b>	<b>18.45</b>	<b>16.65</b>

## **8. Social Care Portfolio**

Care services for older people and people with learning disabilities, people with physical disabilities and people with mental health needs, health partnership, community meals, supporting people, protection for vulnerable adults and transition arrangements with Children Services. Money Home, Job.

<b>Social Care Portfolio Cash limit 2016/17 – 2019/20</b>				
	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Opening cash limit	76.95	81.95	77.48	70.39
Base budget adjustments including funding changes	5.00	(7.60)	(4.82)	(5.31)
Investment – see Appendix 2		9.88	3.68	2.95
Less: Policy Savings – see Appendix 3		(5.50)	(5.65)	(4.76)
Less: Operational Savings – see Appendix 4		(1.25)	(0.30)	(0.76)
<b>Revised cash limit</b>	<b>81.95</b>	<b>77.48</b>	<b>70.39</b>	<b>62.51</b>

## Appendix 2

### Summary of Investments and Cost Pressures

Detail of investment / cost pressure	2017/18 £	2018/19 £	2019/20 £
<b>Leader of the Council Portfolio</b>			
Democratic Services – mayoral transport income	3,964		
Capital Financing including borrowing	80,000	1,702,536	160,000
<b>Total Leader of the Council Portfolio</b>	<b>83,964</b>	<b>1,702,536</b>	<b>160,000</b>
<b>Total Children's Services and Education Portfolio</b>			
Looked after children caseloads - recruitment of additional social workers to reduce case loads to 12	3,800,000	200,000	
Looked after children placement costs	1,000,000		
Contractual inflation	110,000	120,000	120,000
Increase in costs relating to changes in demographics	170,000	1,140,000	1,140,000
Fall out of Education Services Grant		450,000	1,500,000
Unaccompanied Asylum Seeking Children		150,112	
Out of borough looked after children placements	150,000		
Foster care recruitment one off cost for recruitment/advertising campaign	30,000	(30,000)	
Fall out of Youth Justice grant	40,000	40,000	40,000
Fall out of New Burdens SEND	195,188		
<b>Total Children's Services and Education Portfolio</b>	<b>5,495,188</b>	<b>2,070,112</b>	<b>2,800,000</b>
<b>Clean and Green Portfolio</b>			
Fall out of grant income	193,221		
Contractual Inflation	25,000	24,634	25,000
<b>Total Clean and Green Portfolio</b>	<b>218,221</b>	<b>24,634</b>	<b>25,000</b>
<b>Community, Leisure and Culture Portfolio</b>			
Fall out of grant / correction of income levels	108,172	10,962	123,202
<b>Total Community, Leisure and Culture Portfolio</b>	<b>108,172</b>	<b>10,962</b>	<b>123,202</b>
<b>Personnel and Business Support Portfolio</b>			
Fall out of grant – milk subsidy	12,920		
Increased maintenance costs within Integrated Facilities Management (IFM)	200,000		
Shortfall in design fee income within IFM	1,000,000		
<b>Total Personnel and Business Support Portfolio</b>	<b>1,212,920</b>	<b>0</b>	<b>0</b>
<b>Regeneration Portfolio</b>			
Shortfall in planning income	30,157	29,253	28,375
Contractual inflation	62,000	62,000	61,634
Fall out of ESF / ERDF grant income		29,299	32,734
Increased staffing in planning development to help meet performance requirements	80,000		
Shortfall in markets income	105,022	18,451	17,898
Continue support to Black Country Consortium	13,322		90,000
Reinstate 2016/17 saving to develop alternate income streams to cover costs not deliverable	67,200		
Reinstate 2016/17 saving for reduction in management structure	90,000		
<b>Total Regeneration Portfolio</b>	<b>447,701</b>	<b>139,003</b>	<b>230,641</b>

Detail of investment / cost pressure	2017/18 £	2018/19 £	2019/20 £
<b>Social Care Portfolio</b>			
Contractual inflation including new living wage	2,087,938	2,019,626	1,960,574
Increase in costs relating to changes in demographics	1,215,495	1,433,799	974,020
Ongoing pressures in relation to cost of adults social care	4,200,000		
Joint Funding Arrangements	2,200,000		
Fall out of Housing Benefit Administration grant	100,000	81,000	
Reduction in subsidy incentive grant	18,889		15,300
Additional moderation of care – linked to savings		150,000	
Council tax reduction scheme consultancy	60,000		
<b>Total Social Care Portfolio</b>	<b>9,882,322</b>	<b>3,684,425</b>	<b>2,949,894</b>
<b>Corporate investment</b>			
Reinstatement part terms and conditions saving from 2016/17	1,000,000		
Contribution towards Combined Authority costs	351,045		
Increase in service demand for looked after children		2,000,000	1,000,000
Additional allocation to cover redundancy / pension costs		1,000,000	1,000,000
Allocation for revenue implications for capital programme			500,000
Apprenticeship Levy	500,000		
Pay related (to be allocated) – increment, etc.	2,313,371	2,180,344	2,159,523
Pension cost	4,529,000	1,945,000	2,000,000
<b>Total Council Wide</b>	<b>8,693,416</b>	<b>7,125,344</b>	<b>6,659,523</b>
<b>Total investment / cost pressures</b>	<b>26,141,904</b>	<b>14,757,016</b>	<b>12,948,260</b>

## Appendix 3

### Summary of Revenue Policy Savings by Portfolio

These are supported by policy papers, found on the Council's consultation pages on its website and also on CMIS (26 October 2016 Cabinet meeting). Year 1 and 2 options are to be consulted on. For year 3 options, no policy document is required, as these options require further workup prior to formal consultation.

<b>Saving reference</b>	<b>Detail of saving / efficiency</b>	<b>2017/18 £</b>	<b>2018/19 £</b>	<b>2019/20 £</b>
1	Charging for Deputyships	30,000		
2	Charging for Appointeeships		15,000	
3	Apply decrease to Members allowances at same level as decrease in staff pay. Requires a Council decision to implement.	7,055		
<b>Total Leader of the Council Portfolio</b>		<b>37,055</b>	<b>15,000</b>	<b>0</b>
4	Review and develop children centre service as part of a 0-19 Early Help locality model	208,126		
5	Review demand for transport from children with special education needs and disabilities (SEND)	100,000		
6	Review demand for SEN transport. More provision of Special School Places will reduce transport and existing travel costs			200,000
7	Review demand for Out of Borough SEN short breaks	130,000		
8	Review and reduce short breaks	100,000	100,000	
9	Reduction of spend on Looked after Children including those in Out of Borough Placements		300,000	600,000
10	Review and reduce Looked after Children numbers and associated costs	680,044	462,044	1,223,044
11	Review and reduce Children's Social Care contact service	64,000	64,000	
12	Reduce or identify alternative contribution for Children's Safeguarding Board		58,035	58,035
13	Review and reduce Youth Services and align functions to the 0-19 Early Help locality model	266,500	421,301	110,572
14	Aim to identify alternative funding to support School Improvement Services	235,599	271,198	135,599
<b>Total Children's Services and Education Portfolio</b>		<b>1,784,269</b>	<b>1,676,578</b>	<b>2,327,250</b>



<b>Saving reference</b>	<b>Detail of saving / efficiency</b>	<b>2017/18 £</b>	<b>2018/19 £</b>	<b>2019/20 £</b>
15	Every other week bin collections – Decision approved by Cabinet 16 December 2015	460,500		
16	Reduction in Public Health investment to lifestyle services	45,000		205,000
17	Introduce charging for garden waste collections		300,000	
18	Reconfigure recycling collections to introduce 'Twin stream' collections		150,000	
19	Review HWRC site and Transfer Station provision			137,772
20	Reduction in grass cutting - large areas	27,312		
21	Consider cessation of bowling green and cricket wicket provision	58,464		
22	Reduction in herbicidal weed spraying of highways	23,750		
23a	Reduction in Street Cleansing service	250,000		
23b	Further reduction in Street Cleansing service	182,907		
24	Further review of waste collection arrangements			500,000
25	Reduce grass cutting on highway verges in rural areas	49,702		
26	Reducing green waste collection season by 1 month	30,000		
27	Reduction of one tree gang	60,000		
<b>Total Clean and Green Portfolio</b>		<b>1,187,635</b>	<b>450,000</b>	<b>842,772</b>
28	Consider withdrawal of contract with Walsall Voluntary Action (WVA)			168,795
29	Cease funding to Relate Walsall and First Base Walsall	7,500	22,500	
30	Consider withdrawing funding to Community Associations	247,900		
31	Remove Cohesion non staffing budget	74,356		
32	Option for redesign of Library service	2,900,000		
32a	Option 1 – move to a single library, home delivery and mobile service, combined with Leather Museum and Local History Centre on a single site			
32b	Option 2 – invite options for a number of libraries based on viability (cost, access, usage, social and economic need) to include home and mobile service			

<b>Saving reference</b>	<b>Detail of saving / efficiency</b>	<b>2017/18 £</b>	<b>2018/19 £</b>	<b>2019/20 £</b>
32c	Option 3 – alternative solution within available budget			
33	Relocate Leather Museum into Lichfield Street Central Library with Local History Centre	85,720	85,715	
34	Relocate Local History Centre into Lichfield Street Central Library with Leather Museum	93,405	93,405	
35	Removal of the council's revenue subsidy to the Forest Arts	100,000	100,000	185,816
36	Removal of the council's revenue subsidy to the New Art Gallery	100,000	(20,000)	390,000
37	Additional income from Active Living to fully recover costs of Darlaston Pool and Walsall Gala baths		519,383	783,559
38	Create a Local Authority Trading company, initially to manage Active Living sports sport and leisure services	175,000	175,000	
39	Change to provision of out of hours for Community Protection service	22,370		
40	Review of the operation of the council's pest and animal control service to control demand, target resources more effectively and increase income	20,000		
<b>Total Community, Leisure and Culture Portfolio</b>		<b>3,826,251</b>	<b>976,003</b>	<b>1,528,170</b>
41	Reduction in Public Health investment in drug and alcohol treatment services	143,000	250,000	500,000
42	Re-procurement of lifestyle services	260,000		
43	Reduction in Healthy Child 5-19 in school services	125,000		100,000
44	Re-commissioning of 0-5 services	100,000		400,000
45	Reduce scope of healthy lifestyles services			250,000
46	Cease all Public Health investment in adult weight management programmes	175,152		
47	Reduction of Public Health Stop Smoking services	200,000	200,000	
48	Cease falls prevention service			295,000
49	Reduce capacity in sexual health services			500,000
50	Reduce scope of infection control services		20,000	20,000

<b>Saving reference</b>	<b>Detail of saving / efficiency</b>	<b>2017/18 £</b>	<b>2018/19 £</b>	<b>2019/20 £</b>
51	Reduction in the Public Health Transformation Fund investment in domestic abuse services	50,000		
Total Health Portfolio		1,053,152	470,000	2,065,000
52	Cease retirement awards	26,000		
53	Consider alternative funding for category 2 school crossing wardens	85,000		
Total Personnel and Business Support Portfolio		111,000	0	0
54	Energy saving from major street lighting invest to save		50,000	450,000
55	Reduction in the mtce of road signs	15,000		64,000
56	Reduced maintenance of road drainage following pilot on drainage and streams			72,000
57	Reduced maintenance road markings			31,500
58	Reduction in highways maintenance resulting from the re-procurement of the Highway Maintenance contract	150,000		
59	Additional reduction in Highways maintenance revenue budgets		100,000	
60	Increase cost of parking permits	6,000	6,000	6,000
61	Increasing Town Centre off street Parking Charges	15,000		
62	Introduction of an additional charge for vehicle dropped crossings to cover the costs of preparing quotations	10,000		
63	Introduction of a street and roadworks permit scheme		100,000	
64	Redesign and reduce the traffic management function		75,000	
65	Reduction in the reactive Highways maintenance budget	50,000		
66	Merge Strategic Planning team with those of other Councils		100,000	
67	Reduction in Economic Development			243,644
68	Stop cleansing after markets / collecting and disposing of market traders waste	175,000		
69	Increase district centres market fees	35,000		
70	Cessation of landscape service	40,000		
71	Removal of all economic intelligence services			60,000
72	Significant reduction in Economic Development capacity			100,000

<b>Saving reference</b>	<b>Detail of saving / efficiency</b>	<b>2017/18 £</b>	<b>2018/19 £</b>	<b>2019/20 £</b>
73	Review of investment portfolio			500,000
<b>Total Regeneration Portfolio</b>		<b>496,000</b>	<b>431,000</b>	<b>1,527,144</b>
74	Combined Welfare Rights service, Housing Advice and Crisis Support	200,000		
75	Closure of banking hall in Civic Centre	100,000		
76	Reduction in grant to Citizens Advice Bureau	132,458	45,966	66,191
77	Consider cessation of Adult Social Care Universal Services	1,111,505	1,099,521	30,000
78	Review of respite and day services	800,048		
79a	Improving demand management for Adult Social Care	1,718,750	3,062,500	1,218,750
79b	Improving demand management for Adult Social Care		1,145,833	2,854,167
80	Housing and Care 21	137,000	295,000	590,000
81	Removal of jointly funded vacant posts	826,627		
82	Introduce an interim charge for community based services	474,894		
<b>Total Social Care Portfolio</b>		<b>5,501,282</b>	<b>5,648,820</b>	<b>4,759,108</b>
	Terms and Conditions *Approved by Personnel Committee 28 June 2016	2,000,000		
	Channel Shift – roll out of digital solutions for contacting the council			5,000,000
<b>Total Central savings / funding changes</b>		<b>2,000,000</b>	<b>0</b>	<b>5,000,000</b>
<b>Total Policy Savings</b>		<b>15,996,644</b>	<b>9,667,401</b>	<b>18,049,444</b>

## Appendix 4

### Summary of Revenue Operational Savings by Portfolio – as approved by Cabinet 26 October 2016 (subject to employee and trade union consultation, and equality impact assessment)

Saving reference	Detail of saving / efficiency	2017/18 £	2018/19 £	2019/20 £
<b>Leader of the Council Portfolio</b>				
83	Increase in income by the Insurance team	40,678	26,313	
84	Dividend review – Birmingham Airport	419,835	304,453	311,437
85	Treasury management – review of debt portfolio	85,646	173,855	
86	Treasury management – rescheduling of existing borrowing	500,000	0	0
87	Review and restructure in Finance and Financial Administration	309,191	65,472	65,003
88	Review of staffing in Legal Services	45,396	31,612	62,433
89	Review of Internal Audit Contract	13,000		
<b>Total Leader of the Council Portfolio</b>		<b>1,413,746</b>	<b>601,705</b>	<b>438,873</b>
<b>Children's Services and Education Portfolio</b>				
90	Reduce administrative support	217,952	333,010	403,313
91	Review and reduce Early Help 0-19 model			100,000
92	Restructure business intelligent functions	100,000		
93	Review demand for SEN short breaks		23,000	140,000
94	Review and reduce Children's Social Care Provider Services	130,000		
95	Reduce agency social workers	494,000	227,000	227,000
96	De-layering Children's Services management	405,596	193,135	43,135
97	Review and reduce Children's Social Care Workforce Training & Practice Development	97,256		44,744
98	Redesign and reduce School Support Services	72,924		
99	Review and reduce Children's Youth Justice Services or identify alternative contributions		50,000	50,000
100	Increase income from traded activity within Information, Advice and Guidance Services	50,000		
101	Redesign and reduce School Support Services – charging of DBS checks	77,000		
<b>Total Children's Services and Education Portfolio</b>		<b>1,644,728</b>	<b>826,145</b>	<b>1,008,192</b>
<b>Clean and Green Portfolio</b>				
102	Redesign of management roles	56,216		
103	Reduction in management	37,451		
104	Removal of one post within Strategy Management	88,743		
105	W2R PFI contract income	270,000		
106	Waste collection 4 day working week over a Monday to Friday	146,190		
107	Service redesign – Operational Team Leaders	14,000	7,000	
108	Reduction of Operational Manager		48,410	
109	Efficiency savings within Clean and Green	45,000		
110	Changes to working practices – legal HGV driver maintenance checks	60,000		

<b>Saving reference</b>	<b>Detail of saving / efficiency</b>	<b>2017/18 £</b>	<b>2018/19 £</b>	<b>2019/20 £</b>
111	Reduction in grounds winter maintenance works	120,000		
112	Fleet services redesign			40,000
113	Charging for tipping at Fryers Road transfer station – private businesses		5,000	
114	Environmental enforcement	10,000		
<b>Total Clean and Green Portfolio</b>		<b>847,600</b>	<b>60,410</b>	<b>40,000</b>
<b>Community, Leisure and Culture Portfolio</b>				
115	Removal of post to support community development to the voluntary sector	12,058		
116	Reduce Community Safety non staffing budget	15,000		
117	Restructure Area Management and Town Centre Management	50,000		
118	Remove council subsidy to the Creative Development Team	66,998		
119	Increase bereavement fees (10% for cremations, 3% for burials)	20,000		
120	Increase Crematoria fees further (8%/6%/6%)	240,000	180,000	180,000
121	Registrars to cover all direct costs by 2018/19	20,000	20,000	30,000
122	Cemeteries management restructure			70,000
123	Additional income from the Active Living Centres	875,444		
124	The Sports Development team to become self sustaining	61,934		
125	Staff savings within regulatory / enforcement		100,000	100,000
126	Building Control management restructure	25,000	25,000	22,000
<b>Total Community, Leisure and Culture Portfolio</b>		<b>1,386,434</b>	<b>325,000</b>	<b>402,000</b>
<b>Health Portfolio</b>				
127	Staff savings in Sports and Leisure	42,000		
128	Staff savings in Public Health	40,000		102,000
<b>Total Health Portfolio</b>		<b>82,000</b>	<b>0</b>	<b>102,000</b>
<b>Personnel and Business Support Portfolio</b>				
129	Management review within Integrated Facilities Management	62,392		
130	Reduce Trade Union facility time	81,000		
131	Restructure of Human Resources	546,491	101,470	102,197
132	Review of Human Resources contracts	21,000		
133	Efficiency savings within ICT	171,304	60,321	
134	Efficiency savings across Procurement	8,860	8,783	17,340
135	Contracts review	1,000,000		
<b>Total Personnel and Business Support Portfolio</b>		<b>1,891,047</b>	<b>170,574</b>	<b>119,537</b>
<b>Regeneration Portfolio</b>				
136	General efficiencies within Planning, Engineering and Transportation			10,000
137	Full year effect of re-procuring highways maintenance contract		50,000	
138	Restructure lighting maintenance support		14,000	

<b>Saving reference</b>	<b>Detail of saving / efficiency</b>	<b>2017/18 £</b>	<b>2018/19 £</b>	<b>2019/20 £</b>
139	Reduction in highways maintenance asset management budget	15,000		
140	Introduce new Asset Management practices		25,000	25,000
141	Reduction in the Pollution Control supplies and services budget	10,000		
142	Review charges for the naming and numbering service	10,000		
143	Review of Pollution Control service and reduction in resource	15,000		
144	Further review of Pollution Control		42,000	
145	Review arrangements for winter service salt purchase	15,000		
146	Review of parking warden contract	25,000		
147	Parking warden contract re-procurement			50,000
148	Traffic signal energy efficiencies	1,000		
149	Deletion of vacant post in highways maintenance service	42,000		
150	Lighting PFI budget one off contribution	100,000		(100,000)
151	One off use of bus lane enforcement reserve	50,000	(50,000)	
152	Use of grant reserves to replace LLPG ICT costs for one year only	20,000	(20,000)	
153	Staffing review within Development and Delivery	101,930		
154	Management reduction in Development and Delivery	61,086		
155	Reductions in services provided by Economy & Environment Directorate Support	60,000	61,000	50,000
156	Reduction in senior management capacity		100,000	100,000
157	Asset Management review	100,000	350,000	350,000
<b>Total Regeneration Portfolio</b>		<b>626,016</b>	<b>572,000</b>	<b>485,000</b>
<b>Social Care Portfolio</b>				
158	Review and restructure across Money Home Job	673,679	300,000	764,000
159	Removal of vacant posts and restructure of staffing across Adult Social Care	495,303		
160	Restructure of management within Safeguarding	80,212		
<b>Total Social Care Portfolio</b>		<b>1,249,194</b>	<b>300,000</b>	<b>764,000</b>
<b>Total Operational Savings</b>		<b>9,140,765</b>	<b>2,855,834</b>	<b>3,359,602</b>

## Appendix 5

### Draft Capital Programme 2016/17 to 2019/20 by Portfolio

Capital project	2017/18 £	2018/19 £	2019/20 £	Source of funding
<b>Children's Services and Education Portfolio</b>				
Two year old provision placements funded from revenue contribution from Schools DSG resources	1,097,642			Council
Basic Need - Estimated DfE allocation	4,101,269	4,101,269	4,101,269	External
Devolved Formula Capital - Estimated DfE allocation	553,772	553,772	553,772	External
Capital Maintenance - Estimated DfE allocation	2,222,387	2,222,387	2,222,387	External
Fibbersley School – rephasing school expansion project	1,915,129			External
King Charles School – rephased school expansion project	967,500			External
<b>Total Children's Services and Education</b>	<b>10,857,699</b>	<b>6,877,428</b>	<b>6,877,428</b>	
<b>Clean and Green Portfolio</b>				
Broadway West playing fields – improvements to car park to compliment recent remediation of playing surface, and refurbish/improve existing changing room provision	50,000	100,000		Council
<b>Total Clean and Green Portfolio</b>	<b>50,000</b>	<b>100,000</b>	<b>0</b>	
<b>Community, Leisure and Culture Portfolio</b>				
CCTV upgrade to equipment	250,000	100,000	100,000	Council
Improvement to Walsall Gala Baths - brine pool and filter replacement		340,000		Council
Darlaston Swimming Pool refurbishment – to provide a higher standard of customer experience, to make it more attractive to users		150,000		Council
Willenhall Lawn Cemetery extension – development of land for burials in Walsall		1,154,219	176,571	Council
Memorial Safety in Walsall cemeteries - ensuring that Walsall Council complies with statutory obligations to provide a safe environment in its eight borough cemeteries	40,000	40,000	40,000	Council
Streetly Crematorium - Installation of air conditioning units and refurbishment of public toilets		160,000		Council
Proactive repair of roads and pathways in Walsall Cemeteries		100,000	100,000	Council
Second phase of Register Office renovation		350,000		Council
Leisure management system	88,000			Council



<b>Capital project</b>	<b>2017/18 £</b>	<b>2018/19 £</b>	<b>2019/20 £</b>	<b>Source of funding</b>
New Art Gallery – contribution from HLF and WM&G Development Fund to upgrade of building management system and facilities	88,334			External
<b>Total Community, Leisure and Culture</b>	<b>466,334</b>	<b>2,394,219</b>	<b>416,571</b>	
<b>Personnel and Business Support Portfolio</b>				
Essential refurbishment of the Council's digital data storage facilities	1,224,081			Council
Essential maintenance, warranty extension and eventual replacement of Council server	75,200	229,000	229,000	Council
Essential investment to remove cyber attack vulnerabilities	98,000			Council
Essential warranty extension and replacement of hardware for Council's Financial systems	30,000		155,000	Council
Procurement of system for Human Resources management and Oracle financials	719,000		525,621	Council
Service improvement for single mobile device management solution (removal of Blackberry technology)	76,000	51,000	51,000	Council
Essential Microsoft upgrades and foundation for Office 365	102,000	225,000		Council
Essential maintenance for data storage growth	78,000			Council
Essential investment in information security classification and secure data transfer tools		55,000		Council
Service improvement initiative – Windows 10 laptop/tablet device deployment for senior managers		126,000		Council
Redesign of school kitchens to meet health and safety, food and fire regulations	250,000	250,000		Council
Council House building management system to control and monitor mechanical and electrical equipment (ventilation, lighting, power, fire and security systems)	70,000			Council
Council House photovoltaic panels to be installed on the roof of the building to utilise natural energy source		150,000		Council
Civic Centre heating	600,000	600,000		Council
<b>Total Personnel and Business Support</b>	<b>3,322,281</b>	<b>1,686,000</b>	<b>960,621</b>	
<b>Regeneration Portfolio</b>				
Highways maintenance improvements to uneven cobble stones at High Street	70,000			Council

<b>Capital project</b>	<b>2017/18 £</b>	<b>2018/19 £</b>	<b>2019/20 £</b>	<b>Source of funding</b>
Hatherton Road multi-storey car park – development of demolition plan to address structural repair issues	200,000	1,375,000		Council
Migration of existing Urban Traffic Control analogue communication network - The communications network used to control parts of the traffic signal network has been in place for over 25 years and is based on obsolete analogue technology which is in need of replacement.	185,000	155,000		Council
Traffic Signals - Replacement of obsolete traffic signal control equipment – Prior year approval - the Council has a statutory duty to maintain all its traffic signal infrastructure and this provides a programme of planned pedestrian crossing replacements to ensure the safe and efficient movement of pedestrians	200,000	200,000	200,000	Council
Provision of community dropped crossings along footways to permit access for wheelchairs, pushchairs and mobility scooters	20,000	20,000	20,000	Council
Highway Maintenance Programme – Council has a legal responsibility to maintain the highway network	2,800,000	2,800,000	2,800,000	Council
Highway Maintenance DfT Challenge Fund Local Contribution - The application for challenge funding revolved around the economic benefit of investment into the strategic highways of the region. In order to access this funding a contribution of 11% is required.	223,000			Council
Walsall Town Centre Public Realm Improvements. It is proposed that the public realm across the town centre needs to be surveyed, with specific regard to the upcoming and future town centre developments	100,000	1,000,000	1,000,000	Council
Darlaston Strategic Development Area Access Project - The project was developed in response to poor traffic access to and through the Darlaston Green area, especially for heavy goods vehicles.	300,000			Council

<b>Capital project</b>	<b>2017/18 £</b>	<b>2018/19 £</b>	<b>2019/20 £</b>	<b>Source of funding</b>
Highways maintenance DfT Challenge Fund – investment for strategic highway network	1,800,000			External
LTP Highway Maintenance Programme – distributed by the Integrated Transport Authority to maintain our highways network	2,400,000	2,400,000	2,400,000	External
West Midlands Strategic Transport Plan (STP) - The programme is designed to address road safety issues, progress the Council's major scheme aspirations; and resource 'local contributions' to approved major schemes	1,283,000			External
Growth Deal - The Growth Deal will create the skills, connections and locations for further high value manufacturing success and support growth in the Black Country's automotive, aerospace and construction sectors	18,440,070	9,137,422	13,728,216	External
<b>Total Regeneration Portfolio</b>	<b>28,021,070</b>	<b>17,087,422</b>	<b>20,148,216</b>	
<b>Social Care Portfolio</b>				
Mosaic implementation phase 3 (financials) – social care case management system	747,130			Council
Mosaic mobile working – provision of mobile tablet technology for Social Care workforce within both Adult and Children's Services to aid working practices	634,076			Council
Aids and Adaptations, Preventative Adaptations and Supporting Independence – Assists households to maintain greater independence and live in their homes for longer through providing low cost adaptations, and assistance with community projects to enable residents to access local services. Supports the statutory requirement to provide disabled facility grants (lifts, hoists)	750,000	750,000	750,000	Council
Health through warmth – continuation of project up to March 2020 – to help provide a safety net for those who can't access other funding sources, available as a loan charged on the property that is repaid upon sale or relevant transfer of their home.	75,000	75,000	75,000	Council

<b>Capital project</b>	<b>2017/18 £</b>	<b>2018/19 £</b>	<b>2019/20 £</b>	<b>Source of funding</b>
Willenhall Lane travellers site redesign and refurbishment of plots		85,000		Council
Disabled Facilities Grant – this project directly supports the council’s statutory requirement to provide disabled facility grants (DFGs). The project has a direct positive impact on the number and subsequent varied costs to the council from the increasing level of demand for home adaptations.	2,895,213	2,895,213	2,895,213	External
<b>Total Social Care Portfolio</b>	<b>5,101,419</b>	<b>3,805,213</b>	<b>3,720,213</b>	
<b>Centrally held budgets</b>				
Funding to support essential works including health and safety, and other projects that cannot be programmed at start of year e.g. Asbestos removal, statutory testing, legionella, fire risk, statutory testing of buildings, demolition of redundant buildings, general repair and maintenance	750,000	750,000	750,000	Council
<b>Total Centrally Held budgets</b>	<b>750,000</b>	<b>750,000</b>	<b>750,000</b>	
<b>Total Draft Capital Programme</b>	<b>48,568,803</b>	<b>32,700,282</b>	<b>32,873,049</b>	

Further strategic schemes will be subject to a separate business case to be reported to Cabinet in year and will be included in the latest update of the draft capital programme when confirmed. Where practical, a payback agreement should be implemented, whereby projects should, wherever possible be self funded over the life of the project and beyond.

The following summarises the reserve list of schemes, which will be released in year subject to funding being confirmed and linked to council priorities:

- Family Contact Centre provision
- Shared heating system for EDC and Rushall JMI
- Sneyd PRU / SEN project
- Increased capacity in Special Schools
- Promotion of Community Health and Safety
- Further provision for Aids and Adaptations / Preventative Adaptations and Supportive Independence as required
- Further provision for Health Through Warmth – tackling fuel poverty as required

### **Rebalancing the Budget: Options for Consultation - Recommendations of the Social Care and Health Overview and Scrutiny Committee following Budget Consultation**

#### **Summary of report**

This report presents the comments and recommendations from the Social Care and Health overview and scrutiny committee following consideration of the draft revenue budget options for consultation for 2016/17 to 2019/20 at the committee's meeting on 16 November 2016. This will enable consideration by Cabinet on 14 December 2016.

All overview and scrutiny committees have received the draft revenue budget options for consultation in respect of the portfolio of services falling within their remit. Any changes to these options, following consultation, along with the draft capital programme, will be reported to a future meeting of the Committee, providing an opportunity to make further recommendations to Cabinet. Cabinet are requested to consider the feedback contained within this report in formulating their draft budget proposals.

#### **Response to the draft budget options**

##### **Savings reference 41 – Reduction in the Public Health investment in Drug and Alcohol Treatment Services**

Concern was expressed that this should be a priority for the Local Authority. It was noted that this proposal was for the programme which delivers drug and alcohol treatment and recovery services and this should be protected. Committee members highlighted the wide ranging impact and devastating effects that drugs and alcohol have not just on the individual but their families and, sometimes, local neighbourhood.

##### **Savings reference 44 – Re-commissioning of 0-5 Services**

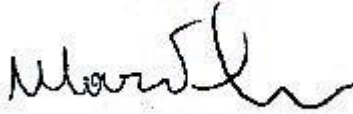
The Committee expressed concern that this may impact upon infant mortality rates. It was noted that this had always been of particular concern to the Committee.

#### **The Panel Resolved:**

**The Committee note and acknowledge the savings proposals relating to Public Health and Adult Social Care, and support the approach taken to savings proposals. However the Committee expresses concern in relation to saving reference 41 and strongly recommends that Cabinet reconsider this proposal.**

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Signed:



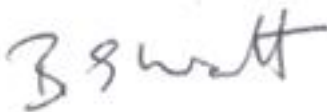
Councillor M. Longhi  
Chair, Social Care and Health Overview and  
Scrutiny Committee

Signed:



Paula Furnival  
Executive Director  
Adult Social Care

Signed:



Barbara Watt  
Director of Public Health

### **Rebalancing the Budget: Options for Consultation - Recommendations of the Education and Children's Services Overview and Scrutiny Committee following Budget Consultation**

#### **Summary of report**

This report presents the comments and recommendations from the Education and Children's services overview and scrutiny committee following consideration of the draft revenue budget options for consultation for 2016/17 to 2019/20 at the committee's meeting on 22 November 2016. This will enable consideration by Cabinet on 14 December 2016.

All overview and scrutiny committees have received the draft revenue budget options for consultation in respect of the portfolio of services falling within their remit. Any changes to these options, following consultation, along with the draft capital programme, will be reported to a future meeting of the Committee, providing an opportunity to make further recommendations to Cabinet. Cabinet are requested to consider the feedback contained within this report in formulating their draft budget proposals.

#### **Response to the draft budget options**

##### **Saving reference 7 – Review demand for Out of Borough Special Educational Need Short Breaks**

Concern was expressed that Bluebells would not be able to meet the needs of some of the individuals currently using Out of Borough commissioned respite.

The Executive Director advised that Bluebells was an impressive facility which would be able to meet the vast majority of individuals needs. As such, if the needs of individuals could be accommodated, they would be transferred from Out of Borough short break provision. It was emphasized that a full needs assessment would be carried out before any decisions were taken. In closing, it was stated that to maximise efficiency Bluebells needed to run to capacity and at present it is not.

A Committee Member advised that there was a significant demand for the service. However, many individuals were not being assessed. The Executive Director (Children's Services) advised that this would be considered during the assessment and review process.

##### **Saving reference 8 – Review and reduce short breaks**

Concern was expressed that the level of need of individuals accessing short breaks could mean that they were unable to access term-time after school clubs and school holiday clubs. It was asked, in light of this, whether the saving of £200k was realistic.

The Executive Director (Children's Services) advised that benchmarking with other Authorities had taken place. Walsall had, historically, offered a high level of support in comparison to other authorities and the resource was no longer available to continue at that level. He advised that the saving was achievable and that support would be offered appropriately.

### **Saving reference 9 - Reduction in spend on Looked after Children including those in Out of Borough Placements**

It was asked whether this saving was realistic and achievable.

The Executive Director (Children's Services) advised that a number of strategies were in place to deliver this saving. It is a challenge, but more must be done to discharge children from care more quickly.

### **Saving reference 13 – Review and reduce Youth Services and align functions to the 0-19 Early Help locality model**

It was asked how the implications of implementing this saving proposal would be mitigated.

The Executive Director (Children's Services) advised that the model proposed would have some resource available to deliver focussed work. It was anticipated that the voluntary and community sector would deliver some provision in future.

The Chair expressed concern that the voluntary and community sector would be expected to fill the void as funding to them became more challenging.

### **Saving reference 14 – Cease or identify alternative funding for the School Improvement Service**

The Committee supported the School Improvement Service and noted that it had contributed significantly to school improvement. It was suggested that support would still need to be offered to mainstream schools and so use of the word 'cease' at 2.1 on page 45 of the report as submitted was misleading.

The Assistant Director (Access and Achievement) noted the point made.

### **The Panel Resolved:**

**That the savings proposals be noted.**

#### **Author**

Neil Picken

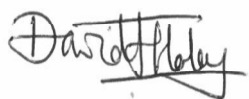
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Signed:

A handwritten signature in black ink, appearing to read 'David Haley', with a stylized, overlapping structure.

David Haley  
Executive Director  
Children's Services

Signed:

A handwritten signature in black ink, appearing to read 'C. Towe', with a long, sweeping horizontal stroke at the end.

Councillor C. Towe  
Chair, Education and Children's Services  
Overview and Scrutiny Committee

28 November 2016

### **Rebalancing the Budget: Options for Consultation - Recommendation of the Corporate and Public Services Overview and Scrutiny Committee following Budget Consultation**

#### **Summary of report**

This report presents the comments and recommendations from the Corporate and Public Services Overview and Scrutiny Committee following consideration of the draft revenue budget options for consultation for 2016/17 to 2019/20 at the committee's meeting on 16 November 2016. This will enable consideration by Cabinet on 14 December 2016.

All overview and scrutiny committees have received the draft revenue budget options for consultation in respect of the portfolio of services falling within their remit. Any changes to these options, following consultation, along with the draft capital programme, will be reported to a future meeting of the Committee, providing an opportunity to make further recommendations to Cabinet. Cabinet are requested to consider the feedback contained within this report in formulating their draft budget proposals.

#### **Response to the draft budget options**

##### **Clean and Green**

###### *Saving 17 – Introduce charging for garden waste collections*

The Committee explored this proposal in depth. Members queried a number of areas, including the appropriateness of the fees, how the policy would be enforced in year 2 and whether or not there would be discounts for pensioners. The Committee were concerned that some residents would choose not to participate in the scheme and put their garden waste into the black bin for landfill. The view was also expressed that the introduction of a fourth wheelie-bin could cause problems for some households.

##### **Communities, leisure and culture**

###### *Savings 32, 32a, 32b, 32c – proposals for a redesigned library service*

As part of their considerations of this item the Committee heard representations from the 'Save Streetly Library' campaign.

Members were concerned about the potential impact this saving could have on local communities. Members felt that proactive engagement work with local community groups should be taking place in order to develop alternative provision should local libraries have to close. The Library Service was highly valued by the local community. The future role of libraries was discussed. It was felt more could be done to modernise the service, such as increasing electronic book loans.

###### *Saving 36 – removal of the council's revenue subsidy to the New Art Gallery*

As part of their considerations of this item the Committee heard representations from a Trustee of the New Art Gallery (NAG).

The Committee were concerned about the potential impact of the loss of funding to the NAG. Members felt that there were opportunities to work with the NAG and its supporters to preserve its future. It was noted that if the Council withdrew its grant then this could see the Arts Council choose to reduce their revenue support too. The NAG was a gallery of international standing and attracted a significant number of visitors to the area. Consideration could be given to charging for some exhibitions. A Member also suggested that consideration could be given to closing the NAG on a Sunday.

Members were concerned that no cost projections had been made regarding the storage costs of the Garman-Ryan Collection should the NAG close after not being able to meet the proposed budget savings.

### **Personnel and business support**

*Saving 53 – consider alternative funding for category 2 school crossing wardens*

A Member commented that schools should consider how they can contribute to maintaining category 2 crossing wardens moving forward. It was noted that some schools had substantial reserves.

### **Regeneration**

*Saving 58 – reduction in highways maintenance resulting from the re-procurement of the highways maintenance contract*

*Saving 59 – additional reduction in highways maintenance*

Members questioned whether the introduction of these savings would have a detrimental impact on the condition of roads in the borough and potentially increase insurance claims against the Council.

*Saving 60 – Increase cost of parking permits*

It was confirmed that this was an increase for staff parking charges. The view was put forward that, if not already included, Members parking fees should also be increased.

*Saving 61 – increase town centre off street parking charges*

Members questioned whether an increase in parking charges would encourage motorists to use non-council car parks resulting in a drop in car parks income.

*Saving 68 – Stop cleansing after markets/collecting and disposing of market traders waste*

Members expressed concern that this proposed saving, combined with another to reduce street cleansing, could result in noticeable reduction in cleanliness in the town and district centres.

*Saving 69 – Increase district centre market fees*

A Member sought confirmation, which was provided, that the increase in fees would apply to Willenhall market.

## Social Care

*Saving 76 – reduction in grant to the citizens advice bureau*

It was noted that the Citizens Advice Bureau received grant funding from more than one Council department. Members noted the outline future commissioning model of increasing provision of online help and advice.

### The Panel Resolved:

- 1) Cabinet explore opportunities to work with local residents to establish community libraries;**
- 2) The budget savings 2016/17 be noted.**

Signed:



Simon Neilson  
Executive Director  
Economy and Environment

Signed:



Councillor A. Andrew  
Chair, Corporate and Public Services Overview  
and Scrutiny Committee



Julie Alderson  
Executive Director  
Change and Governance

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28 November 2016

## **Summary of Consultation Findings to Date**

### **Summary of consultation process and activity to date**

#### **1. Service specific consultation**

- 1.1 Consultation began on 27 October and focuses on 82 draft policy options involving a saving in 2017/18 and / or 2018/19. Policy options that include a saving in later years will be consulted on at a later date.
- 1.2 Whilst most consultation closes on 9 December 2016, some specific consultation including libraries, and proposals that involve children's services and adult social care, will continue until the end of December and in some cases continue into the New Year.
- 1.3 Consultation has been designed in order to ensure that as many people as possible have access to sufficient information to allow them to make an informed comment. Policy papers grouped by portfolio have been published on the council's website [www.walsall.gov.uk/budgethaveyoursay](http://www.walsall.gov.uk/budgethaveyoursay). Alongside each policy paper is the associated saving in £s and a link to a short generic online questionnaire, or where necessary, more information about the saving option and detailed consultation documentation.
- 1.4 Printed copies of the Cabinet report of 26 October 2016 'Rebalancing the Budget: options for consultation' have been made available to view in all libraries and the council's First Stop Shop.
- 1.5 The consultation has been promoted and publicised generally via the council's front page of the website, social media, plasma screens and in emails and letters. A letter/email to key partners (Borough Management Team), head teachers, businesses and community and voluntary sector organisations was sent notifying them of the consultation and inviting them and those they work with / support to have their say. 6,000 flyers and 200 posters have been distributed to a range of community buildings and voluntary organisations.
- 1.6 Services supported by key officers are leading their own service specific consultation activity which, depending on the nature of the draft proposal, varies in scale and detail. Quantitative and qualitative consultation approaches have, as far as possible, been designed to be appropriate to the audience and to facilitate informed comment. Letters and emails have been sent to service users, officers have attended existing meetings, held special drop in sessions and conducted interviews in specific locations face to face and over the phone. In doing so particular groups and communities have been targeted and supported where necessary to understand the proposal(s) and have their say. Information has been made available in alternative formats on request.

- 1.7 Central to the consultation is to understand how the draft proposals, if approved, may impact on people / communities and to seek alternative suggestions for how the savings could be made.
- 1.8 Feedback is in the process of being gathered via a range of methods. At the time of reporting the following volume of responses had been received which are being read and collated in preparation for analysis and reporting:

#### **Volume of responses to date**

	<b>Number of responses as at 06.12.16</b>
(All proposals) Generic budget questionnaire	259
Ref: 5 and 6 SEND transport postal and online questionnaire	165
Ref 32, 32a, 32b, 32c, 33, 34: Libraries postal survey	1,160
Ref 32, 32a, 32b, 32c, 33, 34: Libraries online survey	157
Ref 4 and 13: Children's 0-19 early help locality model (children's centres and youth services) online survey	69
CTRS postal survey	2,315
CTRS online survey	216

*Please note consultation is still ongoing. These figures do not reflect those people who have responded via meetings, forums, drop in sessions, telephone and face to face interviews.*

- 1.9 Letters and emails have also been received, mostly regarding libraries, the New Art Gallery, bowling greens and the budget in general.

#### **Petitions and other community led action**

- 1.10 The following e-petitions are currently live on the council's website;

- Save Bloxwich Library - 192 signatures
- Save our School Crossing Patrol Service - 215 signatures