

## Cabinet – 6 February 2008

### Corporate Revenue Budget Plan 2008/09 – 2012/13

<b>Portfolio:</b>	Councillor Al Griffiths – Finance & Personnel
<b>Service:</b>	Corporate Finance
<b>Wards:</b>	All
<b>Key decision:</b>	Yes
<b>Forward plan:</b>	Yes

#### 1. Summary of report

This report presents the draft revenue budget plan for 2008/09 to 2012/13 following consideration of the draft proposals by all five scrutiny panels and public consultation. This report and other finance reports on tonight's agenda are to enable formulation of budget recommendations to Council on 25 February 2008.

#### 2. Recommendations

- 2.1 To note the corporate budget plan set out in the attached report and its appendices.
- 2.2 To note that at the time of despatch of this report, the precepting authorities (fire and police) had not formally notified the authority of their final council tax increases, so these will be tabled at the Council meeting of 25 February. Current estimates have been used within this report based on informal communication from each precepting authority.
- 2.3 To note and endorse that the Walsall Council draft net budget requirement for 2008/09 is **£227.462m**.
- 2.4 To note and endorse the recommendations of the Chief Finance Officer (CFO) in respect of the robustness of the estimates made for the purposes of the budget calculations and the adequacy of reserves as set out in **Annex 9** of the corporate budget plan.
- 2.5 To note and endorse the revenue budget. (**Deliberative recommendation - detailed draft resolution will be tabled at the meeting**)

### **3. Background Information**

This report builds on previous cabinet reports including the draft corporate revenue Budget, council tax base and consultation reports.

### **4. Resource considerations**

4.1 **Financial:** A comprehensive statement on current and recommended reserves is included in the budget report. We prudently maintain an appropriate minimum level of general reserves and use a risk assessment to determine the level. The opening balance required @ 01.04.07 is c £5.2m. The opportunity cost of maintaining this level of reserves is considered by the CFO who is satisfied that the benefits accrued in maintaining these at the recommended level outweigh the potential lost opportunity from investing these reserves in other ways.

4.2 **Legal:** Councils must set and maintain a budget sufficient to cover all known expenditure and deal with unknown contingencies. CFOs are required to report to members on the robustness of the estimates used for the purpose of calculating the budget and the adequacy of the proposed reserves. This is provided at **Annex 9** of the budget plan.

### **5. Citizen impact**

The council tax increase arising from this draft budget would need to be within the Government's ceiling of 5% to avoid capping. The budget is aligned with service activity in service plans. Investment has been targeted at service improvement, delivery of the council's vision and service-user demand.

### **6. Community safety**

The budget provides funding for initiatives to support community safety.

### **7. Environmental impact**

Investment bids for 2008/09 onwards include several targeted at supporting environmental improvements, e.g. waste recycling. Also included are savings from energy reductions.

### **8. Performance and risk management issues**

8.1 **Risk:** The council annually reviews corporate financial planning and budget principles. In November cabinet approved an updated Medium Term Financial Strategy (MTFS). The budget setting process includes a corporate financial risk assessment to determine key risks and their impact on the budget. Services undertake comprehensive risk assessments of their budgets by identifying risk factors, potential changes to service delivery and funding streams. This ensures that adequate corporate budgetary provision is available to cover unforeseen

future events. This successful approach has been in place for several years and is used to inform the level of earmarked and general reserves.

- 8.2 **Annex 11** shows the results of this exercise and the theoretical risk of between £0.130 m and £11.778m of additional costs. However, it is highly unlikely that all these scenarios would arise. Managers are also required to deliver services within the available budget. Any known changes in service demand or costs arising from legislative or Government demands, are identified and dealt with, within the overall draft revenue budget, as an investment bid. The budgeted opening level of reserves is sufficient to cover the high and medium risk items. Any in-year use of general reserves would require replenishment to ensure an opening general reserve of c£5.12m, as required by the MTFs.

## 9. **Equality implications**

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

## 10. **Consultation**

The council is statutorily obliged to consult with representatives of non-domestic rate payers before setting the budget. Public consultation is an important part of our community engagement activities; effected since September 2007 through a series of facilitated workshops involving representative samples of different parts of the community, and involving members and the Corporate Management Team (CMT). These have been previously reported to December 2007 and January 2008 cabinet meetings. In addition, consultation with trade union representatives has been undertaken through the Employee Relations Forum (ERF).

- 10.2 **Sections 4 and 8** of the budget plan provide further detail of the consultation arrangements, customer feedback and examples of pledges which seek to respond to the outcomes of that public consultation. Managers of all levels are responsible for delivering targets and service outputs on time, to standard and within budget. With their teams, they are involved in budget construction, bidding for investment and working up savings options. The Corporate Management Team and cabinet have continuously reviewed the evolving budget. Draft budget options were considered by corporate scrutiny and performance panel on 26 and 28 November 2007 and in November each panel received draft proposals for services within their remit and made recommendation to cabinet. All scrutiny panels received the draft revenue budget 2008/09+ for services falling within their remit in January 2008 for a second time and a report is included elsewhere on tonight's agenda detailing the comments and recommendations of each panel. Feedback from the various consultation mechanisms have been used to inform the draft budget proposals.

## Background papers

Various financial working papers.

Revenue Support Grant Provisional Settlement – Cabinet 19 December 2007

Budget Setting Process – Consultation – Cabinet 19 December 2007

Draft Corporate Revenue Report 2007/08 – 2011/12 – Cabinet 16 January 2008

Cabinet Consultations

Budget Setting Process 2008/09 – Consultation - Cabinet 16 January 2008

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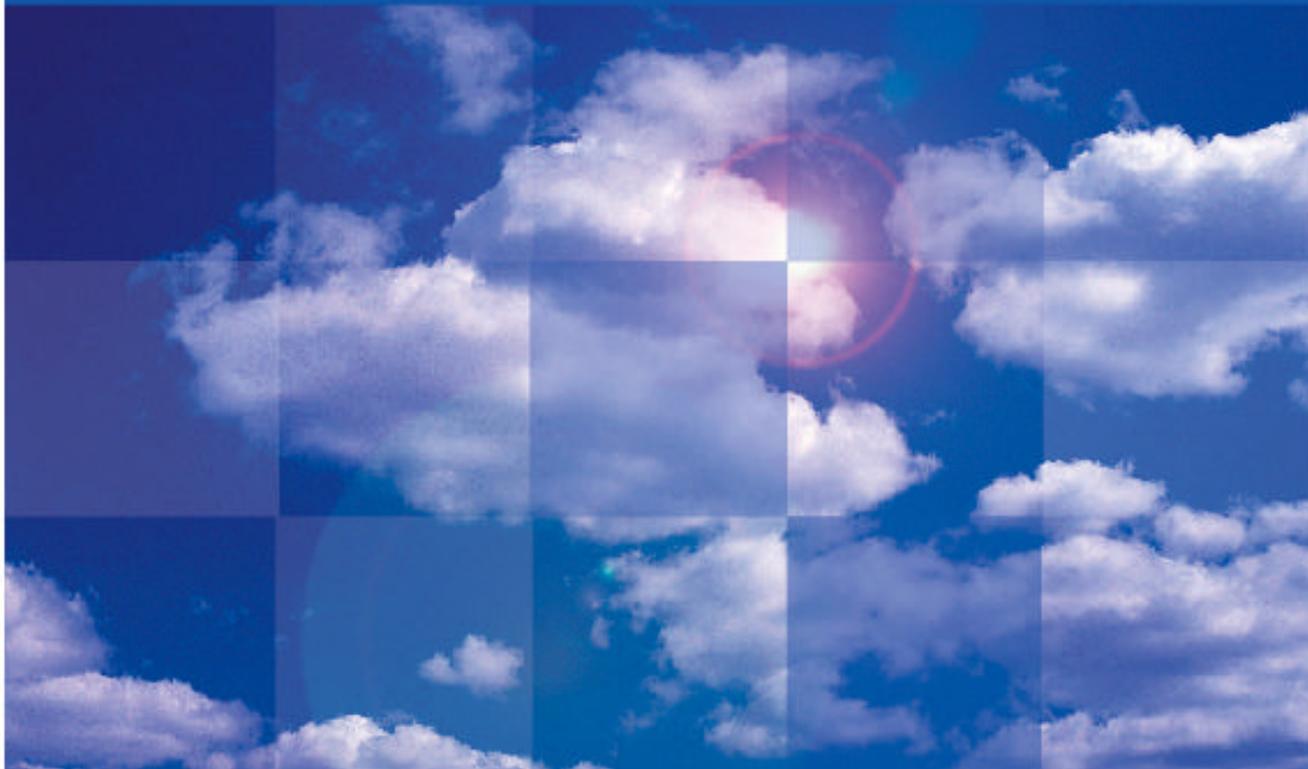
James Walsh – Chief Finance Officer  
28 January 2008



Councillor Al Griffiths – Portfolio Holder  
28 January 2008

# Corporate Budget Plan

2008/09 – 2012/13



February 2008



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# 1. Purpose of this document

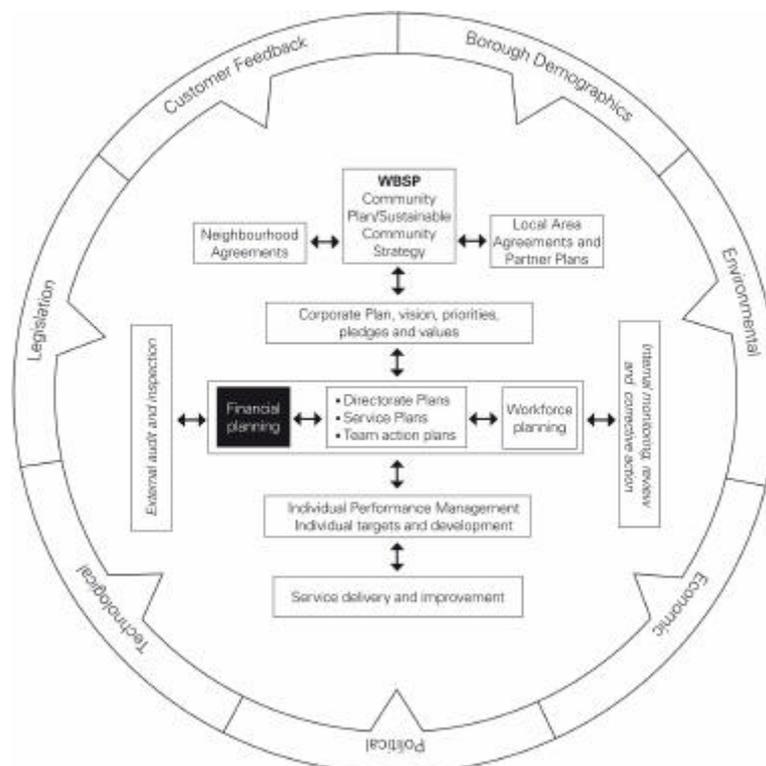
The council’s budget is a financial representation of the organisation’s plans for the forthcoming financial year and beyond. Therefore, the budget is constructed as an integral part of the council’s corporate integrated planning and performance framework (CIPPF). The key drivers in setting the budget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

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

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

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

**Figure 1: The Council’s CIPPF**



## **2. The Council's vision for the Borough**

### **In Context - The Corporate Plan and Sustainable Community Strategy**

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

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

### **Delivering our commitment to the vision – the Walsall Outcomes Framework**

To deliver our commitment to the shared vision for the borough, set out above, and in full detail in the Sustainable Community Strategy, the council has developed, and adopted as the focus for its performance planning processes a new 'Walsall Outcomes Framework'. This is based around seven citizen (or customer) outcomes, and three internal drivers, outlined below. These provide a clear focus on the key issues, priorities and outcomes for the people of our borough, and also ensure that there is also a focus on our own internal systems and processes. Together with the shared vision, this ten part outcomes framework provides clarity of purpose to our directorates, services, teams and to individuals working for the council, whether in front-line or back office. It builds upon the success of our previous vision ('Vision 2008'), and seeks to maintain for the future the clarity of purpose that vision achieved both within the council and in the wider community. Building on practice in previous years, our citizen outcomes and internal drivers will be 'made real' by a set of pledges, key actions which the council promises to deliver during 2008/09 to provide clear evidence of our commitment, which will be monitored throughout the year via the Beacon Index.

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

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

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

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

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

### **Our Local Compact - working with community and voluntary organisations**

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

### **The Council's Vision**

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

Walsall will be a good place to live, work and invest, where:

Our vision is that

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

### 3. Our core values

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

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

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

### 4. Understanding our community

#### Using data and feedback

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

- Walsall Borough has a population of 254,500; there was a steady decline during the 1990's, however, since 2001 it has increased slightly. Official Government projections show a continued decline to 2021. This has a potential significant impact as Government funding is based on population and this means we are likely to have to respond to national and local challenges with a smaller proportion of the national funding allocations. In addition, Walsall has a relatively high dependency population, as the following figures show, demonstrating that there are fewer people of working age and a higher dependency on council services.
- 33% of residents are aged under 25, compared to a national average of 31%; 20% are under 16 (national average 18%).
- 22% of residents are over 60, compared to a national average of 21%
- Current unemployment levels are 4.4% (2006) compared to 3.4% in 2005.
- Out of 354 local authorities in England and Wales, Walsall ranks in the top 50 most deprived for measures of income and employment. For each measure, Walsall ranks in at least the top 20% most deprived districts in England. Walsall is also one of the most diverse Boroughs, containing some of the most deprived areas in England and Wales and also some of the most affluent.
- 2001 Census figures show that in Walsall there are c14% who are from minority ethnic backgrounds.
- Minority ethnic residents' backgrounds are predominantly Indian (40%), Pakistani (27%), Bangladeshi (7%) and Mixed & Black Groups (10% and 10% respectively).

- 23.8% of households rent from registered social landlords, including Walsall Housing Group (WHG) and Walsall Association of Tenant Management Organisations (WATMOS); compared with 19.2% nationally. 4.6% (9% nationally) rent from private landlords and 70.1% are owner-occupiers (69% nationally).

### **Fair, accessible and equitable service delivery**

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

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

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

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

#### **Community leadership**

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

#### **Service delivery**

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

#### **Employer**

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

## Budget Consultation

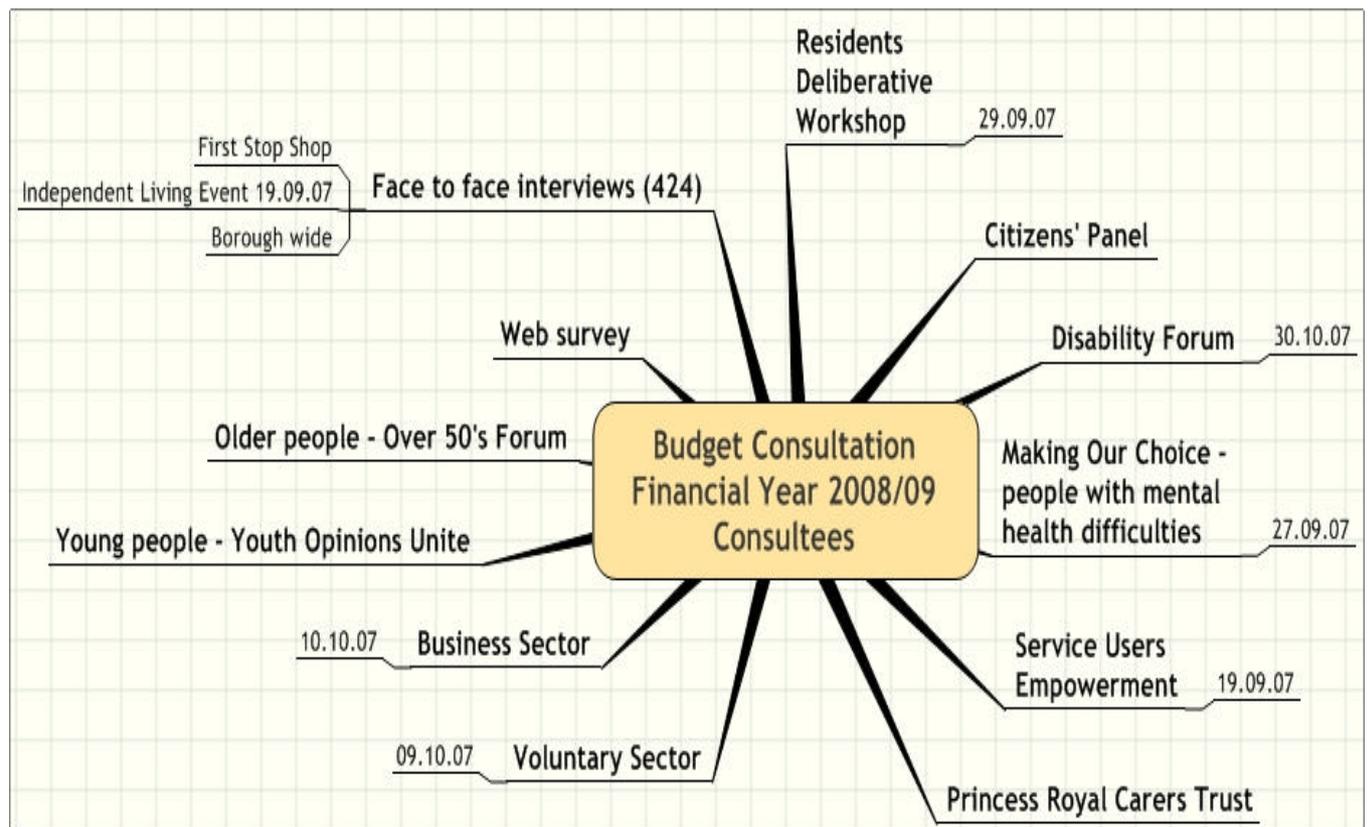
### Listening to local people

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

### Budget consultation 2008/09

For many years we have also undertaken specific budget consultation to inform our budget setting processes. The budget plan has been informed by a broad range of consultation outcomes, arising from the council's consultation strategy and the principles of the Local Compact. **Figure 2** shows participants in the 2008/09 budget consultation process.

**Figure 2: Participants in the 2008/09 budget consultation process**



Almost 1500 people have so far participated in budget consultation. This includes contribution from the citizens panel and other existing networks. In addition, internal consultation has taken place with scrutiny, managers and trade unions. Key findings are detailed overleaf.

## Key Findings

- Anti social behaviour is a concern for all groups, in particular younger and older respondents who express concerns about youths hanging around on the streets, dropping litter and causing damage to property.
- Residents were asked to comment on the 10 priorities linked to Vision 2008 and how they would allocate funds across these priorities. Across all groups the concepts of being safe and secure came out as the top priority.
- While different groups had differently priorities, clean and green was a consistent message from all groups.
- Residents highlight many positive aspects of living in the borough. Being close to family and friends is important and a key focus for what makes somewhere a good place to live.
- Clear information about what services are available would make it easier for people to access them. Without the right information people cannot access what they need or could benefit from. Those with disabilities noted that it is sometimes find it difficult to access services because they can't physically get there. Making sure all council service points are accessible is a priority for this group. An efficient transport system and free flowing traffic would help many local people access the service they need.
- Tackling obesity, promoting healthy eating and exercise and providing good access to health services were seen as the main priorities for making Walsall a healthy and caring place
- There are a number of things respondents associate with an excellent authority: open, honest, transparent and accountable to the public. Respondents think that an excellent council should also report on its performance, good and bad. Proactive rather than reactive, improving service delivery, working to improve customer service and the overall image of the council.
- Thinking to the future people want to see the borough grow to be a strong economic modern centre where advanced new business thrives and provides local jobs for local people.

## 5. Financial planning: matching resources to vision and the 2008/09 revenue budget

### The Medium Term Financial Strategy (MTFS)

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

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

**Figure 3** shows the relationship between the various components of the financial framework. The MTFS is the overarching corporate financial policy. It sits below the corporate plan and above the other elements of the financial cycle. The MTFS is the driver for all other financial activity, which is aligned with service planning and performance management activities within the CIPPF (see **section 1**). Below the MTFS sit the other financial strategies; the capital strategy and the treasury management strategy.

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

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

**Figure 3: Financial elements of the CIPPF**

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

Our eight key objectives are to ensure that:

- *Our financial planning and management contributes to the transformation, development and improvement of the organisation through policy-led resource allocation, the use of options appraisal, income maximisation,*

*and the creation of headroom through savings and efficiency.*

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

### The Budget Process

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

### 2008/09 Budget Headlines

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

- A focus on a policy-led, medium term, risk assessed budget setting approach using corporate priorities established by Cabinet,
- A total net budget of **£227.462m**
- Full provision for pay awards, routine and contractual inflation and currently estimated demands and legislative changes **£15.823m.**
- Full year impact of investment choices from 2007/08 is **£1.376m** and savings **£0.016m.**

- Additional investment of **£5.139m** focussed at front line services, corporate core infrastructure, and key developments
- Savings, fees and charges increased and service re-alignments of **£7.784m** to support new investment
- Appropriate use of prudential borrowing to support capital investment where affordable and sustainable with revenue costs being reflected in this report
- An opening general reserve of **£5.175m** established using the risk assessment

A separate report covers the draft capital programme 2008/09 to 2012/13. The financial implications arising from this are contained within the draft revenue budget.

#### Investment items funded from reserves

Due to the nature of some of the investment bids, it was felt more appropriate to fund these items from existing reserves. These investment bids are for one year only and are as detailed in **Table 1**:

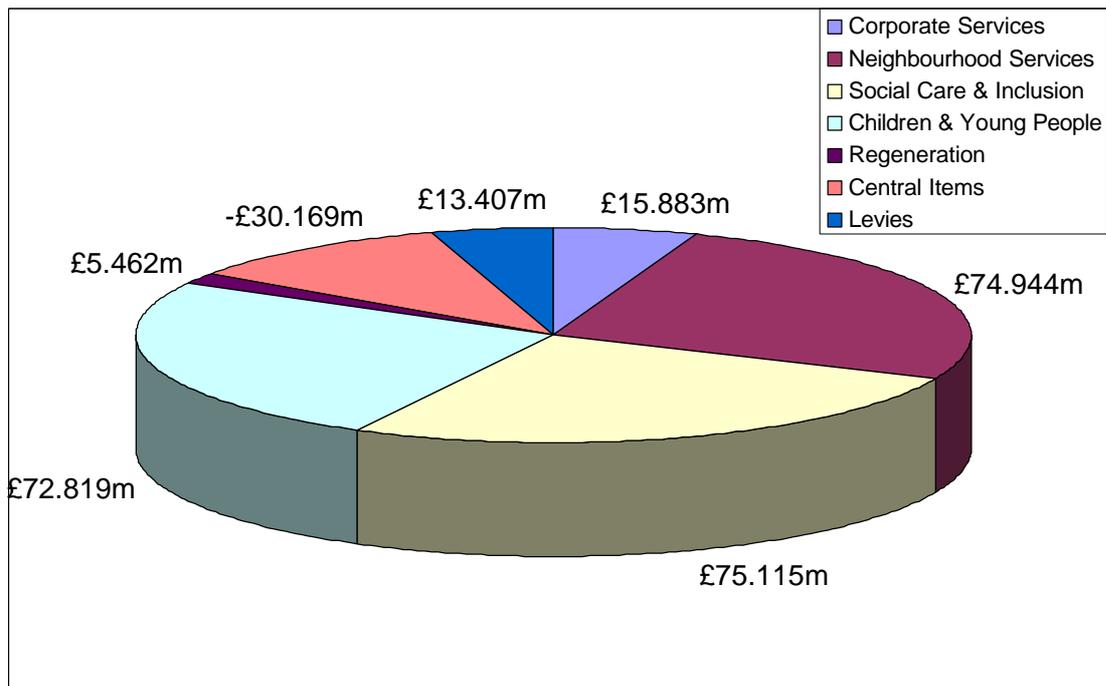
**Table 1 Investments funded from reserves**

<b>Investment to be funded from reserves</b>	<b>Investment 2008/09 £'M</b>
Job Evaluation Manager to complete implementation of job evaluation	0.040
Trade union support to job evaluation project	0.060
Shop mobility – One off investment funded from reserves to bring service up to quality standard	0.045
New waste collection service in summer 2008	0.150
<b>Total</b>	<b>0.295</b>

2008/09 Budget Details

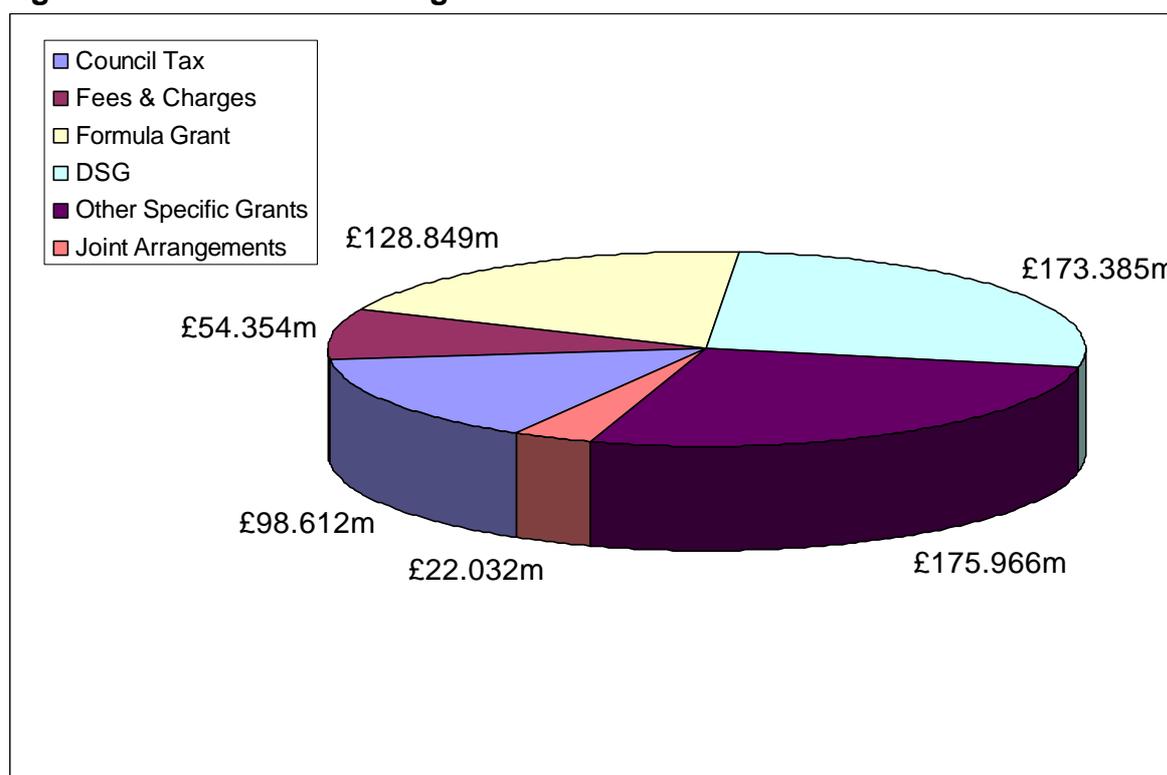
The net budget requirement resulting in net spending on services of **£227.462m**. **Figure 4** provides a breakdown of the draft net spending by directorate.

**Figure 4: draft net revenue budget requirement**



The council receives income from a number of sources including council tax, central Government grant and specific grants to help pay for certain services including schools and social care. The council also charges for parking, use of leisure facilities and other services. In 2008/09 the council tax will account for **c15.1%** of total income. **Figure 5** shows all the main sources of income.

**Figure 5: Sources of Funding**



This budget has been constructed in a challenging national environment. The impact of the nationally increasing costs of waste management and social care, and additional legislative pressures have been felt by Walsall Council. The net budget requirement is shown in **Table 2**.

**Table 2: Net Budget requirement**

	£ M	Annex No
<b>2007/8 budget requirement</b>	<b>212.924</b>	
Pay and price inflation	8.107	
Financing and other changes	7.716	
FYE of savings and investment approved in 2007/08	1.360	
New Service investment	5.139	2
Efficiencies, savings and increased income	-7.784	3a & b
<b>2008/09 Net Draft Budget Requirement</b>	<b>227.462</b>	4

### Formula Grant

The Government provides funding to councils through the Formula Grant. For Walsall in 2008/09 this is £128.849m and represents about 57% of the council's overall net budget requirement and as such has a significant impact on the level of services the council can afford to provide. Any budget requirement over and above the level of grant has to be borne either via council tax payers and/or users/recipients of services.

Formula Grant is a complex calculation within various blocks based on relative needs, population, demographic data, the tax base and “floor damping”. The dampening mechanism ensures no council receives less than a 2% annual increase and so acts a safety net for those councils that would otherwise lose out in grant.

These funding arrangements were introduced in 2006/07. At the same time, the funding of schools was removed from Formula Grant and Government now provides a separate ring fenced grant for schools; the Dedicated Schools Grant (DSG). In 2008/09 this will be approximately £174 million, equivalent to a 3.4% per pupil rise over 2007/08. The final allocation will be available in July following a pupil count in January.

The Government has for the first time released a 3 year settlement for years 2008/09 to 2010/11. Figures may alter in year 3 as it is anticipated there will be another Comprehensive Spending Review (CSR) in 2009. The 3 year settlement has been welcomed as it should help with planning future budgets and encourage financial stability. Formula grant for 2009/10 and 2010/11 are £133.3m and £137.2m respectively. The DSG for 2009/10 and 2010/11 are £179m and £186m respectively.

Whilst Walsall’s grant increase was above the national average in 2008/09 at 4.9% as opposed to a national metropolitan average of 3.7% (3.5% for England), as a result of the use of floor damping Walsall’s formula grant for 2008/09 was reduced by £7.3 million (in addition to £3.5 million in 2007/08 and £3m in 2006/07). The indications are that this ‘dampening’ method will continue to be used. The Formula Grant allocation for Walsall is set out in **Table 3** and increases over the last 5 years are shown in **Table 4**.

**Table 3: Formula Grant**

	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
	<b>£ million</b>	<b>£ million</b>	<b>£ million</b>
A basic needs allowance of £397.86 per resident	<b>100.9</b>	<b>103.6</b>	<b>106.0</b>
A deduction for estimated local tax resources	<b>- 12.0</b>	<b>-12.7</b>	<b>-13.5</b>
Central allocation – a ‘top up’ per head	<b>47.2</b>	<b>48.5</b>	<b>49.7</b>
<b>Total grant</b>	<b>136.1</b>	<b>139.4</b>	<b>142.2</b>
A deduction for our contribution to the floor safety net	<b>- 7.3</b>	<b>-6.1</b>	<b>-5.0</b>
<b>2007/08 total grant (adjusted for damping)</b>	<b>128.8</b>	<b>133.3</b>	<b>137.2</b>
2006/07 formula grant (adjusted)	<b>122.8</b>	<b>128.8</b>	<b>133.3</b>
2007/08 grant increase (adjusted)	<b>6.0</b>	<b>4.5</b>	<b>4.0</b>
2007/08 grant increase (adjusted) - %	<b>4.92%</b>	<b>3.51%</b>	<b>2.98%</b>

**Table 4: increases in formula grant**

	<b>2005/6</b>	<b>2006/7</b>	<b>2007/8</b>	<b>2008/9</b>	<b>2009/10</b>	<b>2010/11</b>
Walsall	6.4%	2.4%	4.1%	4.9%	3.5%	3.0%
Metropolitan Borough Average	5.5%	2.6%	3.5%	3.7%	2.9%	2.5%

## Collection Fund

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

The assessment undertaken in January 2008 revealed an estimated surplus. When taking into account projections to the year-end, a useable surplus of c£0.074m is available.

## Comparative Draft Council Tax Levels

Walsall's council tax is above the West Midlands metropolitan council average. This is as a result of a conscious decision in 2003/04 to have a high increase to fund improvement and to correct previous policies of artificially dampening council tax levels by using one-off reserves. The strategy is to reduce this gap over the coming years and bring Walsall Council more in line with the average. In 2004/05, 2005/06, 2006/07 and 2007/08 increases represent relatively modest council tax increases; working towards the achievement of this target.

Comparative draft council tax levels for 2008/09 for other West Midlands or national councils are not yet publicly available. It is anticipated that Walsall's increase will be within the mid-range for unitary councils.

## Capping

The Government retains reserve powers to cap council tax increases where they are considered to be too high. Guidance indicates that councils approving a higher than 5% increase and/or with a net budget requirement increase above 6%, will be capped. Due to several ring fenced grants moving to formula grant our net budget requirement increase is 6.83%. Government will adjust our base line increase when calculating our net budget requirement for the changes in grant funding which will result in a revised net budget requirement increase of 4.23%. It is considered highly unlikely that Walsall will be capped. If capping did occur a revised (reduced) budget would have to be set.

## Levies and Precepts

**Table 5** overleaf shows the levy to be made on Walsall Council by the West Midlands Passenger Transport Authority and the estimated levy by the Environment Agency. It will be necessary to table final figures at the cabinet and/or Council meeting.

**Table 5: Levies 2008/9**

Levy	2007/08	2008/09	Increase	Increase
	£	£	£	%
WM PTA (final)	12,842,844	13,316,476	473,632	3.69
Environment Agency (estimated)	93,574	98,000	4,426	4.73
<b>Total</b>	12,936,418	13,414,476	478,058	3.70

Walsall's precepting authorities are the West Midlands Police and Fire & Civil Defence Authorities. At the time of despatch of this report, formal notification of the precepts had not been received; therefore the figures in **Table 6** are based on informal notification, so amended figures will be tabled at the Cabinet and/or Council meetings if necessary.

**Table 6: Estimated precepts 2008/9**

Precepting Authority	2008/09 Amount £	Band D 2008/9 £	Band D 2007/8 £	Band D Increase %
WM Police	7,248,424	95.12	91.47	4.0
WM fire and civil defence	3,469,878	45.76	44.43	3.0
<b>Total</b>	10,718,302	140.88	135.90	3.67

#### Value for Money (vfm)

The Audit Commission has rated the council as performing well in delivering vfm. The council scored 3 in its Use of Resources (UOR) score under the Corporate Performance Assessment (CPA) in 2006, and in the individual score for vfm. This indicates that the council is managing and using its resources well.

The 2008/09 budget further builds on the improvements delivered in the last two years by targeting its resources at key priorities. As well as the full year effects of 2007/08 budget proposals (£1.376m) new service investment totalling £5.139m is also included.

In addition, the draft capital programme 2008/09 – 2012/13 provides for significant capital investment, including the use of the Prudential Code and unsupported borrowing to fund c£14.97m of investment. The revenue implications of these decisions are included within the corporate revenue budget.

In order to meet service demand changes and cover inflationary costs pressures whilst maintaining a modest council tax increase, savings from across the council have been identified, totalling £7.397m. Reviews of fees and charges (£0.387m) have also taken place. These have released funding for other council priorities and investment. Further information is provided in **Annex 3a & 3b**.

The above will also count against central Government's Gershon savings targets, another vfm measure, introduced as part of their spending review in 2004. Walsall was asked to achieve £19.8m over the 3 years up to 2007/08. From 2008/09, CSR2007 has stated that the savings target will be 3% and must all be cashable. This is a change from previous years when we could also use non-cashable savings towards the target and the target was only 2.5%. Government are yet to inform Walsall of the targets over the next 3 years.

## 6. Medium term financial outlook – 2009/10 plus

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

The future financial environment continues to be challenging for most councils. Both the spending review 2007 and the Lyons Review into the structure and funding of Local Government have impacted on future resources and funding decisions and plans. Key sources of funding, in particular formula and specific grant, are assessed on a regular basis, along with emerging cost pressures. The focus is on forward planning to ensure financial risk is managed and mitigated and all known liabilities are funded, including the cost of capital investment decisions. The annual budget process requires services to calculate a provisional budget for the next 5 years.

The provisional budget beyond 2008/09 is summarised at **Annexes 5 to 8** and provides a baseline assessment of likely resources and investment pressures. **Table 7** shows the current council tax requirement and an amount of efficiency savings required to achieve a scenario of council tax increases.

**Table 7: Estimated Council Tax Scenarios**

<b>Description</b>	<b>2009/10 £m</b>	<b>2010/11 £m</b>	<b>2011/12 £m</b>	<b>2012/13 £m</b>
Net Budget Requirement	239.306	249.690	258.659	268.604
External Support	133.294	137.243	140.816	144.336
Net requirement from Council Tax	106.012	112.447	117.843	124.268
Efficiencies to achieve 3% increase	4.327	3.247	2.110	3.035
Efficiencies to achieve 4% increase	3.340	1.150	0.932	1.776
Efficiencies to achieve 5% increase	2.352	(1.006)	(0.310)	0.425

The council tax projection figures do not include future investments or Gershon efficiency savings for 2009/10 and beyond. Based on previous targets there is an expectancy of a c£8m target. Some focussed work will be needed to achieve a less than 5% council tax increase in 2009/10; however, based on the Gershon requirement this should be deliverable. Walsall Council has a successful track record

of identifying ongoing efficiencies and savings. Work is currently being undertaken to identify ongoing savings for 2009/10 onwards and therefore it is expected that the target will be met. The approach adopted in setting the budget of matching spend and investment to priorities is now embedded.

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

### Reserves

The council's strategy is to continue to demonstrate financial stability and ensure council and service wide financial pressures are well managed. The Chief Finance Officer (CFO) advises on this in accordance with best practice, professional opinion and the council's MTFS. The strategy is to end the year with the working balance intact and to commence 2008/09 with general reserves of c£5.175m. The revenue budget 2008/09 meets this requirement

In accordance with sections 25 – 27 of the Local Government Act 2003 and to comply with CIPFA guidance on local authority reserves and balances, the CFO is required to formally consider and report to members upon the robustness of the estimates used for the purpose of calculating the budget and the adequacy of reserves and balances in respect of the 2008/09 budget. This section of the report has been written by the council's CFO (Assistant Director of Finance), and deals with the requirements of the Act and professional guidance. Consideration of all these issues has been comprehensive and complex. **Annex 9** provides further information and signposts to the various activities, documents and other evidence that have contributed to the decision and declaration, and does not seek to reproduce them here. **Annex 10** analyses current earmarked reserves and general provisions.

### Financial Risk

The budget setting process includes a corporate financial risk assessment to determine key risks and their impact on the budget. Services undertake comprehensive risk assessments of their budgets by identifying risk factors, potential changes to service delivery and funding streams. This ensures that adequate corporate budgetary provision is available to cover unforeseen future events. This successful approach has been in place for several years and is used to inform the level of earmarked and general reserves. **Annex 11** shows the results of this exercise and the theoretical risk of between £0.130m and £11.778m of additional costs. However, it is highly unlikely that all these scenarios would arise. Managers are also required to deliver services within the available budget. Any known changes in service demand or costs arising from legislative or Government demands are identified and dealt with within the overall draft revenue budget as investment bids. The budgeted opening level of reserves is sufficient to cover the assessed financial exposure to the council. Any use of reserves in-year would require replenishment in year 09/10 to ensure an opening general reserve required by the MTFS.

## 7. Capital investment

The Council has an asset portfolio of over £837m. Therefore managing and maintaining these assets is a key issue for the council to ensure they continue to be fit for purpose and their value is maintained. The capital investment programme is key to delivering the councils vision and pledges

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

The capital programme has been constructed by applying the principles and policies contained within the council's capital strategy and the medium term financial strategy. Projects are assessed to ensure they support the delivery of the council's vision and their implementation will demonstrate vfm.

The 2008/09 draft capital programme totals £57.706 million and comprises mainstream schemes of £28.009 million and specific grant funded projects of £29.697 million. This is to be funded by £7.987 million supported borrowing; £14.972 million unsupported borrowing, £5.050 million capital receipts and £29.697 million capital grants. The following tables detail Walsall Council's draft capital programme 2008/09 to 2010/11. Prior to being funded all projects go through a rigorous approval process. Capital projects to be funded need to be well founded either in service plans or capital investment plans relevant to the service. Examples include the highways transport plan, property framework and strategy and asset management plans.

**Table 8: mainstream capital programme by directorate**

<b>Directorate</b>	<b>2008/9 £m</b>	<b>%</b>	<b>2009/10 £m</b>	<b>%</b>	<b>2010/11 £m</b>	<b>%</b>
Children	6.710	23.96	6.078	21.92	2.342	12.95
Corporate	0.847	3.02	0.550	1.98	0.550	3.04
Neighbourhood	9.460	33.77	10.141	36.58	3.153	17.43
Regeneration	4.477	15.98	4.637	16.73	4.851	26.82
Social Care	4.728	16.88	4.447	16.04	5.847	32.33
Council Wide	1.787	6.38	1.869	6.74	1.344	7.43
<b>Total</b>	<b>28.009</b>	<b>100</b>	<b>27.722</b>	<b>100</b>	<b>18.087</b>	<b>100</b>

**Table 9: non-mainstream capital expenditure by directorate**

<b>Directorate</b>	<b>2008/9 £m</b>	<b>%</b>	<b>2009/10 £m</b>	<b>%</b>	<b>20010/11 £m</b>	<b>%</b>
Children	10.958	36.90	15.663	52.46	23.302	59.96
Corporate	0	0	0	0	0	0
Neighbourhood	9.148	30.80	0.600	2.01	0.020	0.05
Regeneration	6.909	23.26	10.915	36.56	12.862	33.09
Social Care	2.682	9.03	2.681	8.98	2.681	6.90
<b>Total</b>	<b>29.697</b>	<b>100</b>	<b>29.859</b>	<b>100</b>	<b>38.865</b>	<b>100</b>

Capital programme resources are limited. More projects are now being funded by grant and/or supported borrowing, which reduces the flexibility of the programme. The remaining flexibility is through capital receipts and unsupported borrowing. Capital receipts projections are in line with target; but we have restricted use of some of these, specifically those from the sale of allotment land, school playing fields and library land, the latter has been earmarked for the library development.

As such, there is a greater emphasis on ensuring that capital resources follow key areas of priority. This draft capital programme has been discussed using this approach and represents a balanced programme.

## 8. Portfolio Summary and Pledges

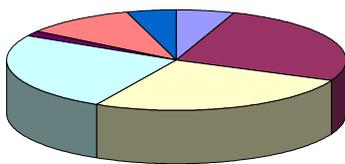
The following pages outline the responsibilities and focus of cabinet along with key pledges in relation to the 2008/9 budget, in response to budget and customer consultation and in line with the council's vision.

## Leader of the Council



Councillor John O'Hare

### 2008/9 Net budget (excludes capital charges)



<span style="color: cyan;">■</span>	Children & Young People - £72.819m
<span style="color: yellow;">■</span>	Social Care & Inclusion - £75.115m
<span style="color: blue;">■</span>	Corporate Services - £15.883m
<span style="color: purple;">■</span>	Neighbourhood Services - £74.944m
<span style="color: darkred;">■</span>	Regeneration - £5.462m
<span style="color: red;">■</span>	Central Items - (£30.169m)
<span style="color: darkblue;">■</span>	Levies - £13.407m

### The Council's Vision

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

Our vision is that:

Walsall will be a good place to live, work and invest, where:

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

We believe these are critical issues for a successful borough that will demand sustained effort in the years to come.

The priorities and pledges for 2008/09 have been developed in the context of the council's on-going analysis and assessment of the borough, its communities and local needs and priorities. The pledges on the following pages also reflect views expressed by partners and residents during budget consultation. Achievement of these pledges will significantly improve local services for residents and enable local people to judge how well the council is doing. Progress will be reported to citizens in the publication, Walsall Pride.

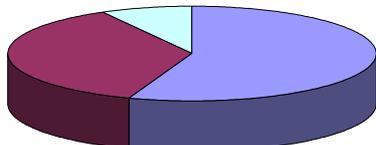
# Children's Services

Portfolio Holder



Councillor Zahid Ali

**2008/9 Net budget**  
(excludes capital charges)



Education –	£41.693m
Specialist Services	£27.592m
Universal Services -	£5.989m
Print & design –	£0.030m

## Focus of the Portfolio

Education services, including relationship with Education Walsall, social services for children, safeguarding and promoting welfare of children, looked after children and corporate parenting, care leavers, interagency cooperation, involvement of children and young people, youth parliament, children's trust arrangements, youth offending services, youth service, summer activities programme, school meals, school music services.

## Customer Consultation & Feedback

Residents believe a good standard of education is imperative for the future of the borough and lack of basic skills in young people is a concern amongst residents. Whilst generally education in the borough is seen as good, there are aspects where residents call for improvements including the quality of teaching staff, school buildings and facilities.

Feedback from older residents, people with disabilities and carers clearly underlines the importance of care and support services. Investing in specialist services such as care for children with special needs, a sitting service and providing activities and social events for those with disabilities and the infirmed were perceived to be important for improving the quality of life, particularly amongst vulnerable people.

## Our Pledges

We will improve support to families so that the number of Looked After Children is reduced to the median of similar councils.

New investment in additional child concern workers	£0.150m
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We will reduce the gap between Walsall and other similar councils to less than 5% points for pupils achieving 5 A\*-C GCSEs (including Eng & Maths).

Dedicated Schools Grant	£173.385m
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We will increase the attainment of Pakistani and Bangladeshi pupils at Key Stage 4: an increase of 12% for 5 A\*-C for Pakistani pupils rising to 35% and an increase of 10% for 5 A\*-C for Bangladeshi pupils rising to 38%.

Dedicated Schools Grant	£173.385m
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We will improve services to children with a disability by increasing the number of respite foster care breaks by 10%.

3 year revenue grant	£1.025m
2 year capital grant	£0.391m

We will reduce child poverty by increasing the take-up of free school meals.

Dedicated Schools Grant	£173.385m
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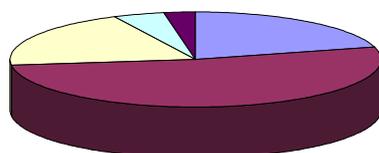
# Social Care, Health & Housing

## Portfolio Holder



Councillor Barbara McCracken

### **2008/9 Net budget** (excludes capital charges)



Learning Disabilities - £15.703m
Older Persons - £39.231m
Other Adults - £14.821m
Housing - £3.183m
Support Services - £2.177m

## **Focus of the Portfolio**

Care services for older people and people with learning disabilities, people with physical disabilities and people with mental health needs, health partnership and the public health agenda, community meals and supporting people. Strategic housing role, housing partnerships, private sector housing, homelessness, and relationship with Walsall Housing Group (WHG).

## **Customer Consultation Feedback**

Consultation with black and minority ethnic communities in 2007 about take up of social care services showed a requirement for increased clarity on the availability of services for them from the council; less than 50% were aware of what was available and this impacted on their service take up.

With Walsall's ageing community, we have witnessed an increased demand from people living with a disability who need a Disabled Facilities Grant (DFG) to pay for their home to be adapted so they can remain independent. To help meet the demand we are improving our adaptations service to ensure we help as many people as possible to live independently at home

## **Our Pledges**

We will adapt the homes of 200 people with a disability so they can live independently.

Disabled Facilities Grant	£1.525m
Aids and adaptations	£4.387m

Full year effect of investments within 2008/09

Understanding and meeting BME needs –new revenue over 5 years starting in 2007	£1.525m
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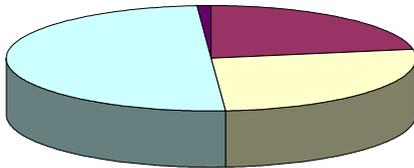
# Finance & Personnel

## Portfolio Holder



Councillor Al Griffiths

### **2008/9 Net budget** (excludes capital charges)



Legal –	£0.066m
Levies -	£13.407m
Finance -	£15.950m
Central Items –	£30.169
Human Resources & Development -	£0.678m

## **Focus of the Portfolio**

Strategic and operational financial management, insurance and policy led budgeting. Financial regulations, audit, legal services, constitutional services, Mayor’s office, human resources and organisational development (including member development)

## **Customer Consultation Feedback**

Our new First Stop Shop has resulted in positive feedback from benefit service customers about aspects of the office environment i.e. cleanliness of the benefit office (92%), privacy of offices (68%), and availability of seating (54%). However, when asked about the speed of service whilst 50% of claimants indicated that they were satisfied overall with the time it took to receive a decision on their claim, this is significantly lower than in 2003 (67% satisfied). 39% were dissatisfied (26% very dissatisfied). Written feedback reiterated concerns about the time it takes to process claims.

## **Our Pledges**

We will reduce the average time it takes to process benefit claims to 28 days

Benefits Team (net admin grant)	£0.311m
Investment in new technology to automate benefit application	£0.100m

We will increase the in year collection of council tax from 97.0% to 97.2%

Additional member of staff working on Council Tax collection	£0.021m
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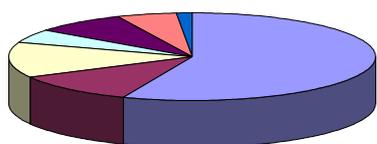
# Regeneration & Enterprise, & Deputy Leader

## Portfolio Holder



Councillor Adrian Andrew

## **2008/9 Net budget** (excludes capital charges)



Property Services -	£4.921m
Strategic Regeneration –	£0.950m
Delivery and Development -	£1.163m
Regeneration Management -	£0.424m
Planning Services -	£0.709m
Communication -	£0.112m
Walsall Borough Strategic Partnership -	£0.471m

## **Focus of the Portfolio**

Economic development, urban regeneration company (URC), physical development, environmental regeneration, markets, property, New Deal for Communities (NDC), Black Country Consortium, and West Midlands regeneration issues. Town and district centres. Planning policy and local development framework.

## **Customer Consultation Feedback**

Residents tell us that they are proud of the regeneration schemes which are underway, as well as the value they place on key landmarks such as the New Art Gallery. Local people believe that making improvements where they are most in need will help make people feel proud of Walsall. Tackling litter, removing graffiti, upgrading and improving run down areas were aspects identified as in need of attention.

Residents would like to see more shops, entertainment, leisure and cultural and recreational facilities in the borough. Places where people can come together to socialise and have fun.

Participants in recent budget consultation have raised concerns about the future of Walsall's market and call for the issue to be addressed to help raise pride in the borough.

Respondents with a learning disability told us they wanted to see more opportunities for learning and obtaining a job, group activities for disabled people and better education resources for children.

## **Our Pledges**

We will spend £2.5m on regeneration and improvement projects focussed on Walsall town centre, district and neighbourhood centres and strategic corridors.

Provision within Delivery & Development budget	£1.210m
Bridge Street / Ablewell St THI	£0.325m
Regenerating Walsall capital	£0.250m
Town, district and, local centres capital	£0.850m
Strategic corridors and gateways capital	£0.350m
Environmental regeneration programme capital	£0.200m
Darlaston Strategic Development Area capital	£0.150

We will implement 'Think Walsall' by December 2008 to generate more training and employment opportunities for Walsall people.

Provision within base budget for economic regeneration	£0.210m
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We will increase by 25% the number of individual letters sent out to citizens informing them of planning applications for neighbouring properties, and introduce a new tailored service of building extensions for domestic extensions.

Provision within Planning budget	£0.044m
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We will introduce a new tailored service of building inspections for extensions being carried out to homes in the borough that will be more convenient and helpful to the owner and their builders.

Provision within Building Control	£0.185m
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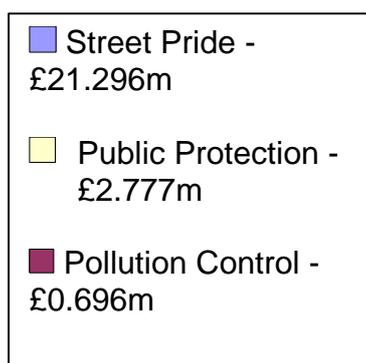
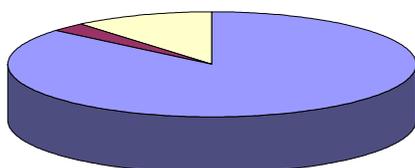
# Environment & Street Pride

## Portfolio Holder



Councillor Rachel Walker

### **2008/9 Net budget** (excludes capital charges)



## **Focus of the Portfolio**

Waste management, clean and green agenda, sustainability, environmental health, cemeteries and crematoria, licensing, pollution control, coroner service and registrars.

## **Customer Consultation Feedback**

Recycling is seen as important and many residents want to see the council actively encouraging people to recycle more. Several sources of feedback identify the need to expand the kerbside recycling service to include additional materials notably cardboard and plastic.

Our best value surveys clearly show that the cleanliness of the street scene is the key satisfaction driver. Residents now call for more enforcement action to tackle environmental crime; notably general littering and fly-tipping.

## **Our Pledges**

We will maintain weekly waste collections for all households and begin kerbside collection of plastic and cardboard.

New investment in waste collection service	£0.500m
Waste Collection Services capital	£1.300m

We will promote reduction of energy consumption across the borough and reduce energy use in council buildings through investment in improved energy management and better housekeeping.

Reduction in energy cost	£(0.090m)
Energy & water conservation measures in council buildings	£0.250m

We will increase the number of places in Walsall where civil ceremonies can take place.

Provision within registrars budget	£0.369m
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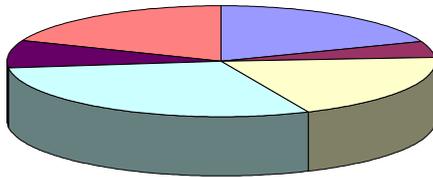
# Leisure & Culture

Portfolio Holder



Councillor Louise Harrison

**2008/9 Net budget**  
(excludes capital charges)



**Focus of the Portfolio**

Parks, leisure and culture services including the Art Gallery, libraries, adult learning, sports, museums and twinning.

**Customer Consultation Feedback**

Findings from budget consultation research have showed that tackling obesity and promoting exercise are seen by many as the main priorities for ensuring citizens are healthy.

Residents are positive about the borough’s green spaces and value the countryside, parks and public rights of way in the area. However, some residents feel that there are issues which need attention particularly footpaths, walkways and associated problems of graffiti, dog fouling and litter.

As a result of our library modernisation programme and high performing library service, satisfaction with libraries has improved recently 92% to 94%, and the library service is highly valued by service users. Visitor figures increase dramatically following library modernisation and residents show support for continued improvement including the delivery of other services locally within the library setting.

**Our Pledges**

We will deliver improvements to Bloxwich, Pleck, Streetly, South Walsall, Pheasey, Beechdale and Darlaston libraries.

Library Modernisation Plan	£0.375m
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We will ensure more parks staff are present and visible in public places.

Provision within parks budget	£0.774m
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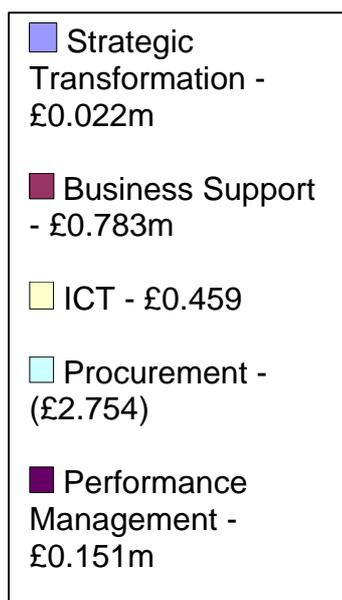
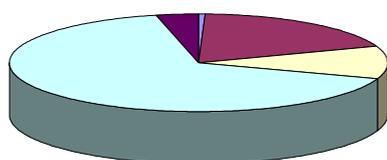
# Procurement, Transformation & Performance Management

Portfolio Holder



Councillor Mohammed Arif

**2008/9 Net budget**  
(excludes capital charges)



## Focus of the Portfolio

Performance management, strategic procurement, risk management and information technology.

## Customer Consultation Feedback

Representatives of the business sector want the procurement policies of the council and other public agencies' to fully support the local economy and local firms – spending locally, to the benefit of local people and local communities.

Results from the 2006/7 best value survey show that overall satisfaction with the way the authority runs things has improved from 34% in 2003/04 to 45% in 2006/07, an increase of +11 percentage points.

44% of respondents to the best value survey 2006/7 think that Walsall Council is efficient and well run. However, whilst 36% of respondents to this survey think that Walsall Council provides good value for money, 64% thought the council did not.

## Our Pledges

We will deliver £2 million savings through a sharpened approach to procurement.

Procurement savings council wide	(£2.025m)
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There remains continued investment in transforming the ICT function at Walsall council;

ICT capital investment	£1.787m
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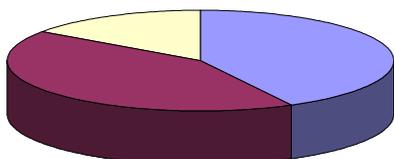
# Safer Stronger Communities, Partnerships & Vision 2021

Portfolio Holder



Councillor Garry Perry

**2008/9 Net budget**  
(excludes capital charges)



■ Neighbourhood Management - £1.385m
■ Community Safety (SWBP) - £1.396,
■ First Stop Shop - £0.498m

## Focus of the Portfolio

Local neighbourhood partnerships, community engagement and consultation, local area plans, community associations, community safety agenda, Safer Walsall Partnership, equalities and diversity, voluntary and community sectors, customer contact.

## Customer Consultation Feedback

62% of residents think that low level of crime is an important aspect of good quality of life. Tackling crime remains residents' top priority for improvement. Anti-social behaviour is a key concern and 29% of residents state that people being drunk and rowdy in public places is a problem. There are particular concerns about the safety of Walsall Town centre.

Anti-social behaviour remains a key concern for all groups, in particular younger and older residents who express concerns about youths hanging around on the streets, dropping litter, drinking and causing damage to property. Groups of young people cause older people and the young themselves to feel anxious, unsafe and threatened, with some people saying they do not go out at night because they feel unsafe.

Walsall is a relatively harmonious borough; indeed residents often tell us that one of the things they appreciate about Walsall is its cultural diversity and good community cohesion

## Our Pledges

We will take firm action against nuisance drinking in public places.

Provision within Strategic Walsall Borough Partnership	£0.015m
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We will increase our actions to tackle graffiti, anti social behaviour and fly tipping.

Improving security in local neighbourhoods	£0.200m
Community Safety investment supporting legislation and policy being implemented in 2008/09 e.g. Police and Justice Act 2006	£0.135m

We will actively promote opportunities for volunteering in Walsall; including opportunities within the council.

Provision within base budget	£0.024m
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We will support at least 60 community and voluntary groups through our community cash scheme.

Provision within base budget	£0.024m
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We will hold a community event in each LNP area to celebrate their cultural diversity.

Provision within community engagement base budget	£0.045m
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We will extend the range of services available through our contact centre.

Provision within contact centre budget	£0.242m
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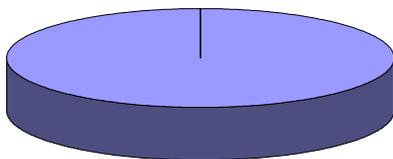
# Transport

## Portfolio Holder



Councillor Anthony Harris

## **2008/9 Net budget** (excludes capital charges)



■ Engineering & Transportation - £16.871m

## **Focus of the Portfolio**

Traffic and transportation, car parks, gateways and corridors, strategic transport and highways.

## **Customer Consultation Feedback**

Overall the level of traffic congestion is rated as residents 4<sup>th</sup> key priority for improvement. Over 50% of residents in St Matthews, Leamore/Birchills and Pheasey Paddock LNPs rate the level of traffic congestion as their top priority for improvement.

## **Our Pledges**

We will complete the town centre transport package to ease congestion and improve the environment in Walsall town centre.

Town Centre Transport Package	£2.682m
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There is continued investment in improving local transport

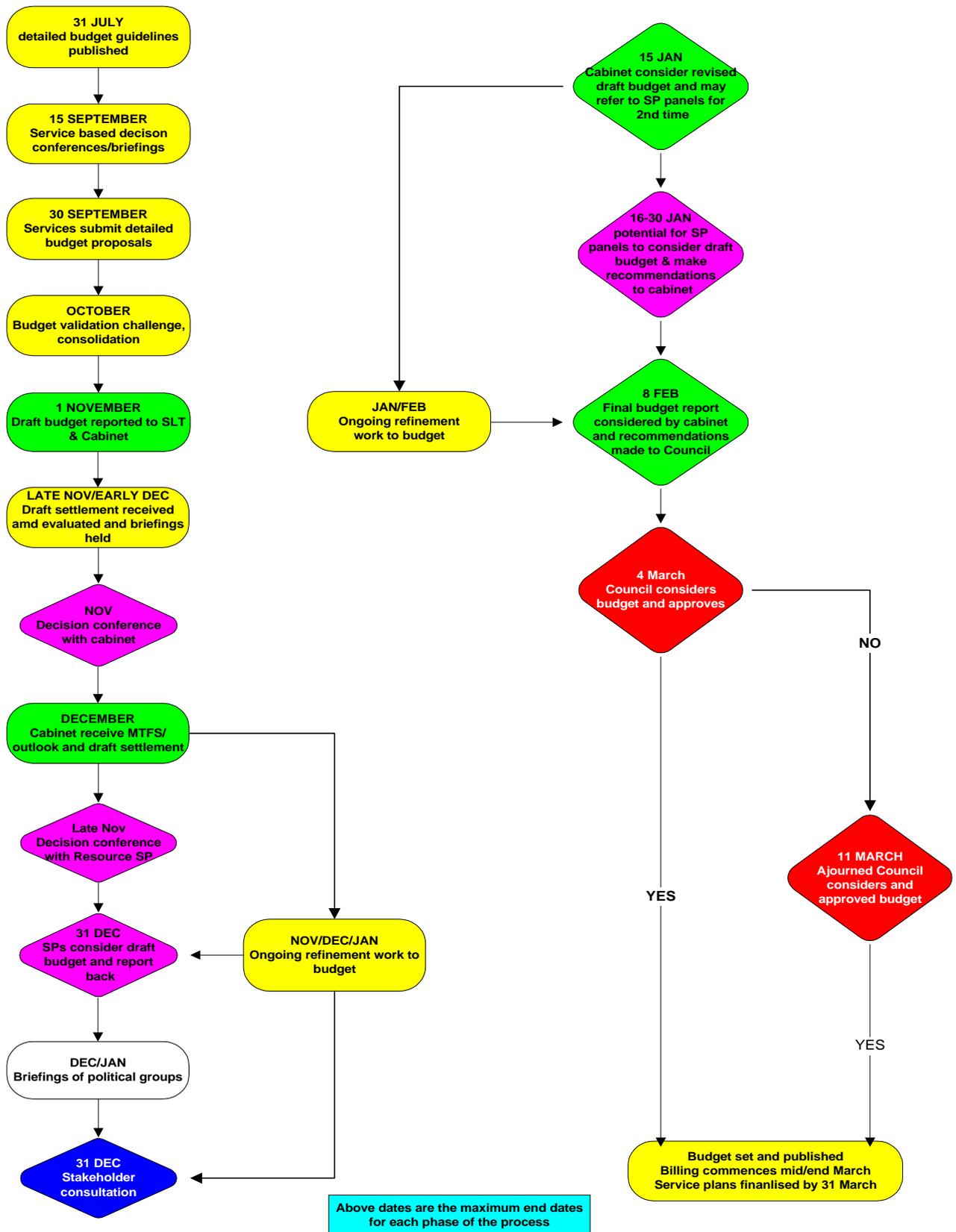
Local Transport Plan capital	£2.739m
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There is continued capital investment in improving bus routes

Bus Showcase capital	£0.800m
Red routes	£1.670

# BUDGET CYCLE

## FLOWCHART OF BUDGET PROCESS



KEY	Scrutiny activity	Political group	Stakeholder activity
Cabinet activity	Full council	Officer activity	

## NEW INVESTMENT

INVESTMENT No.	INVESTMENT	SERVICE AREA	ANNUAL NET COST			DETAILS OF INVESTMENT
			2008/09 £	2009/10 £	2010/11 £	
<b>NEIGHBOURHOOD SERVICES</b>						
1	<b>Community Safety - effect of new legislation and government policy which comes into force in 2008/09</b> Legislation includes -Police & Justice Act 2006; New National Standards; ASB Act 2003 & Respect Agenda.	Community Safety	135,000	135,000	135,000	The proposals will have a direct and positive impact in achieving a number of the Council's vision priorities, in particular ensuring a clean and green borough; easier for people to get around; ensure safety and security and also deliver on the priority to listen to what local people want. Community safety is also a thread that is coterminous to the other themes of older people and young people as well as healthy communities. Includes creating new posts of case officers and community safety officers to cover new legislation around anti-social behaviour.
2	<b>PFI Lighting Accruals</b>	Engineering and Transportation	85,000	85,000	85,000	This is the net effect of changes to lighting points. These costs are above the initial contract. Street lighting was a pledge for achieving the vision of excellence for the authority by 2008. It is proven to greatly reduce the perception of and actual crime.
3	<b>Public Realm Maintenance</b>	Engineering and Transportation	25,000	25,000	25,000	Maintenance of specialist areas which have come on stream in the last few years e.g. Civic quarter, requiring specialist equipment to maintain the areas.
4	<b>Catering Service - Impact on income from healthy eating and loss of contracts and additional costs.</b>	Leisure Services	169,000	169,000	169,000	This investment is to make good income losses arising from the Government's new healthy eating in schools regime and allow the service to meet the requirements of this.
5	<b>Arboretum Restoration Programme</b>	Leisure Services	130,000	40,000	80,000	To support delivery of the restoration programme. The park was the subject of a Stage 1 Heritage Lottery Fund bid March 07. Positive outcome at Stage 1 means we will enter into a 12 month development period part funded by lottery grant during which a Stage 2 application will be prepared and submitted in Sept 08 for which funding will be required. Funding is also required as a third party contribution to release capital match funding (£63k in 2010/11). Changes will be needed in the way the Arboretum is managed & maintained. Restoration of the borough's premier green space site will contribute to ensuring a clean and green borough. The restoration as a stand alone project is a priority for the council and a flag ship project.
6	<b>Building costs for Blakenall Library</b>	Leisure Services	46,593	96,593	96,593	Blakenhall library delivers library services facilities to the communities of Blakenall. The library was opened in 2005 as part of the New Deal Blakenhall Village Centre. Since then the running costs of the centre have increased. New Deal have indicated their intention to raise service charges with effect from April 2008.
7	<b>Increased Fuel Costs</b>	Street Pride	165,000	165,000	165,000	It is necessary to increase the fuel budget due to the continued increase in fuel costs over and above the cost of inflation. In 2007/08 it was necessary to bid for £90k of central contingency. The provision of fuel to all of the council's vehicles contribute to the provision of front line services.

INVESTMENT No.	INVESTMENT	SERVICE AREA	ANNUAL NET COST			DETAILS OF INVESTMENT
			2008/09 £	2009/10 £	2010/11 £	
8	Grounds - Litter picking and sweeping frequencies.	Street Pride	252,000	252,000	252,000	Continuing with the current frequencies will ensure we maintain our 'clean and green' vision. A 2007/8 saving reduced the number of sweeping and litter picking frequencies from 2 weekly to once per 6 or 7 weeks. This is to reinstate to the higher frequencies.
9	Landfill Tax Increase.	Street Pride	800,000	1,205,000	1,605,000	Previous years identified a growth increase of £405k in 2008/09 but additional investment is required due to an increase of £8 per tonne, £5 per tonne more than previously identified. This is outside the councils control. The council as a unitary Authority has a statutory duty under the Environmental Protection Act (S 45 and 48) to collect and dispose of all household waste.
10	New Grounds Sites	Street Pride	39,000	49,000	49,000	This ensures that maintenance of new sites which have been added to the council maintenance services such as gate way projects, parks play areas, district centre cleaning, Queslett road, Streetly cemetery extension, Moxley church, Birmingham road red route, Asda project and the ring road project, can be delivered on budget. The bid includes the funding of 3 agency staff during the summer months.
11	New Waste Collection Service	Street Pride	250,000	500,000	500,000	The waste management service contributes to the council's clean and green agenda. This is investment to implement the new waste collection strategy which was put out to public consultation in October 2007 and is due to commence in summer 2008. The strategy has been approved by cabinet.
12	Routine Highway Authority Tree Inspections	Street Pride	30,000	30,000	30,000	The council's tree stock enhances the overall green environment and contributes towards neutralising CO2 gases. This investment will fund a resource to carry out ongoing inspections of all the council's trees, recording and maintaining a database of condition for each location. LABGI funds have provided for the initial inspection of around 60,000 trees in 2007/08. This will also protect the council and the public from possible dangers from damaged and unsafe trees and to reduce the risk of injury or damage and subsequent insurance claims.
	<b>TOTAL NEIGHBOURHOOD SERVICES</b>		<b>2,126,593</b>	<b>2,751,593</b>	<b>3,191,593</b>	
	<b>REGENERATION</b>					
13	<b>Strategic Regeneration Team.</b> Proposal to reduce to a realistic level the targets for the income generated through the Town Centre Markets.	<b>Town Centre Management</b>	<b>185,000</b>	<b>0</b>	<b>0</b>	This proposal is not for additional resources for this service area, but a recognition of the true levels of income that can be expected from the market services. There is a demand for these types of services within the town centres. Current estimates of the income to be received through the collection of rents etc. will not be achieved, as proven by previous years income levels falling significantly short of the targets set. This under recovery is solely as a result of economic pressures and the changing retail environment.
	<b>TOTAL REGENERATION</b>		<b>185,000</b>	<b>0</b>	<b>0</b>	

INVESTMENT No.	INVESTMENT	SERVICE AREA	ANNUAL NET COST			DETAILS OF INVESTMENT
			2008/09 £	2009/10 £	2010/11 £	
	<b>CHILDREN &amp; YOUNG PEOPLE</b>					
<b>14</b>	<b>Additional Child Concern Workers to support the development of localised integrated working.</b>	<b>Prevention &amp; Locality Services</b>	<b>150,000</b>	100,000	100,000	Supports development of localised working & integrated working; contributes to ensuring every child is supported to meet the Every Child Matters (ECM) outcomes and reduces the need for specialist services. Early co-ordinated intervention in the issues facing a child/young person will prevent referral to specialist services & enable child to better meet ECM outcomes. Year 1 also incorporates costs to develop and deliver an accredited parenting programme for children's practitioners. 2 programmes x 10 practitioners; facility costs; co-ordinator costs. This will facilitate additional savings within corporate parenting placements budget.
			<b>0</b>	(200,000)	(200,000)	
			<b>150,000</b>	<b>(100,000)</b>	<b>(100,000)</b>	
	<b>TOTAL CHILDREN &amp; YOUNG PEOPLE</b>		<b>150,000</b>	<b>(100,000)</b>	<b>(100,000)</b>	
	<b>SOCIAL CARE &amp; INCLUSION</b>					
<b>15</b>	<b>Older persons - Demographic Growth.</b>	<b>Adults SCI (Older Persons)</b>	<b>219,026</b>	758,151	830,284	Investment relates to care and support required for age group 75-84 which will grow in the following proportions - 20200 in 07/08, 20500 in 08/09, 20800 in 09/10, 21300 in 10/11 and 21500 in 11/12. The investment also includes the associated assessment and care management capacity required and it would purchase approx 80 average home care packages. The bid has been reduced to take account of additional continuing health care income planned to be claimed. There will be a 1% increase in the key cohort of older people requiring care (75+) costs £205,140. In 09/10 the % increases to 2.4% meaning the element of the older persons demographic growth bid relating to basic demand for core services is £493k. This explains the rise between 08/09 and 09/10. It includes Investment in social work capacity required to address the increase in demand for social care assessment due to the reduction in acute bed numbers, reduction in length of stay and changing demographics, which indicates that 4 additional social work posts would be required to deliver the 'Discharge from Day 1' project outcomes.
<b>16</b>	<b>Walsall's Independent living centre continuation.</b>	<b>Adults SCI (Younger Adults)</b>	<b>85,000</b>	85,000	85,000	This investment supports the salary costs of the employees. The service is also part funded by the tPCT and enables development of partnership working with the third sector. This service provides approx 5,000 hours to support clients in their own homes and if it closed would put further pressure on the councils home care budget and would adversely affect the helped to live at home performance targets.

INVESTMENT No.	INVESTMENT	SERVICE AREA	ANNUAL NET COST			DETAILS OF INVESTMENT
			2008/09 £	2009/10 £	2010/11 £	
17	Client Demand Growth Future Years	Adults SCI (Younger Adults)	764,000	764,000	764,000	This supports care and maintenance of people in their own homes for as long as possible in line with government priorities. YADS provides services for clients with multiple disabilities who require expensive specialist services. More people are now getting services via changes in services and issue of direct payments since the YADS restructure. People with profound disabilities are living longer and the Authority funds some very expensive placements in xs of £2000 per week for individual clients. Walsall's profile of people with disabilities is higher than the national average (6.4% of people receive Disability Living Allowance compared to an average of 5.1% nationally and 16% of people have a limiting long term illness compared to an average of 13% nationally but has a lower spend on this client group compared to median levels in comparator authorities. The projection of people to be helped to live at home is planned to increase from 580 in 078 to 700 people in 3 years. The bid has been reduced to take account of additional continuing health care income planned to be claimed.
18	Occupational Therapy staffing structures - younger adults disability services	Adults SCI (Younger Adults)	163,883	390,383	390,383	This investment ensures service users are maintained in their own homes as much as possible. Sufficient trained staff to discharge their duties to a standard required by CSCI and to Government targets. Following the restructuring of adults in 2005, there is a gap between the cost of the OT staffing structure and the budget available to ensure assessments are completed. The full year effect of the shortfall is £453K which is currently being largely offset by the use of capital funding from adaptation monies which will start to be phased out in 08/09. Phased implementation will allow the release of monies to fund additional adaptation works in 08/09. The 08/9 bid has been reduced by the cost of 2 OT posts as, due to scarce resources, continuation of funding the whole of the OT cannot be maintained.
19	Client based income shortfall.	Adults SCI (ALL)	450,000	450,000	450,000	A significant no of clients fall below the threshold for charging and the income target is unachievable. There is currently a shortfall in 7/8. This investment would ensure the budget is correct and overspends do not occur in 8/9. The move from people having nursing/res care to home care reduces income as more income is generated per person from nursing care than home care (over 85s have less income - Walsall's population is growing in over 85s).
20	Learning Disability Demographic Growth -	Adults SCI (Learning Disabilities)	464,334	704,334	944,334	This investment is based on known transition cases in 8/9, change in need and the associated resource. There are 31 known transition cases who will require services in 08/09. Analysis has been extended using a risk assessment approach for future years demographic growth, based on increased survivability and reduced attrition. Growth is between 14 & 25 clients per year, new entrants have higher dependencies than existing client groups which is recognised nationally.

INVESTMENT No.	INVESTMENT	SERVICE AREA	ANNUAL NET COST			DETAILS OF INVESTMENT
			2008/09 £	2009/10 £	2010/11 £	
21	Service Improvement	Adults SCI (Older persons)	139,000	0	0	Investment to provide continuance of funding on one-off basis in 8/9 for additional capacity in the service to support delivery of improvements and delivery of savings and targets for SCI. This includes interim management arrangements.
22	Criminal justice and Social Inclusion (Mental Health).	Adults SCI (Mental Health)	60,000	60,000	60,000	To provide social care input to court diversion and social inclusion service - match funded by Walsall tPCT. Estimated to directly affect 150 people in the first year, rising incrementally as the service becomes established. In addition, a further 200 people will be positively affected by this work in terms of improved support and the receipt of a targeted service.
	<b>TOTAL SOCIAL CARE &amp; INCLUSION</b>		<b>2,345,243</b>	<b>3,211,868</b>	<b>3,524,001</b>	
	<b>CORPORATE SERVICES</b>					
23	Salary Review	Legal Services	154,000	154,000	154,000	The service has experienced significant staff turnover and difficulty in attracting new staff to key posts. An external report was commissioned which has benchmarked our salaries with neighbouring councils and shown that over the last 3 years the salaries offered by Walsall council are uncompetitive. This would assist in providing competitive salaries to attract and retain skilled lawyers to support the council.
24	Conveyancer posts	Legal Services	128,000	128,000	128,000	The service currently employs 2.6 FTE lawyers handling all of the council's property work. Over the last 3 years the volume of capital disposals has increased 3-4 fold, and with many other new projects coming on line, (e.g. registering charges for residential care, sundry debts requiring property expertise) the current level of staffing is insufficient to meet the new work. The investment will provide two posts to provide additional capacity.
	<b>TOTAL CORPORATE SERVICES</b>		<b>282,000</b>	<b>282,000</b>	<b>282,000</b>	
	<b>CENTRAL CORPORATE ISSUES</b>					
25	Redundant Buildings	Property Services	50,000	50,000	50,000	The current budget of £50k is insufficient to meet the on going costs of security, protection from vandalism and demolition of void properties. This investment ensures buildings can be made secure until demolition or alternative use.
	<b>TOTAL CENTRAL CORPORATE ISSUES</b>		<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	
	<b>TOTAL INVESTMENT</b>		<b>5,138,836</b>	<b>6,195,461</b>	<b>6,947,594</b>	

## FEES AND CHARGES

No.	DESCRIPTION	SERVICE AREA	ANNUAL NET COST		
			2008/09 £	2009/10 £	2010/11 £
<b>NEIGHBOURHOOD SERVICES</b>					
<b>1</b>	Increase in charges for switching of traffic signals	<b>Engineering and Transportation</b>	<b>(2,500)</b>	<b>(2,500)</b>	<b>(2,500)</b>
<b>2</b>	Roadworks management - introduction of fixed penalty notices	<b>Engineering and Transportation</b>	<b>(25,000)</b>	<b>(25,000)</b>	<b>(25,000)</b>
<b>3</b>	Increase charges to developers	<b>Engineering and Transportation</b>	<b>(4,000)</b>	<b>(4,000)</b>	<b>(4,000)</b>
<b>4</b>	Increase in staff car parking charges	<b>Engineering and Transportation</b>	<b>(7,000)</b>	<b>(9,000)</b>	<b>(9,000)</b>
<b>5</b>	Introduction of charging of car parking in Bridgeman Street car parks	<b>Engineering and Transportation</b>	<b>(15,000)</b>	<b>(30,000)</b>	<b>(30,000)</b>
<b>6</b>	Increase in charges for MOT testing, re-testing and servicing	<b>Street Pride</b>	<b>(15,000)</b>	<b>(15,000)</b>	<b>(15,000)</b>
<b>7</b>	Increase trade waste collection charges (10%) and increased activity	<b>Street Pride</b>	<b>(70,000)</b>	<b>(70,000)</b>	<b>(70,000)</b>
<b>8</b>	Trading standards licensing - increase in income	<b>Public Protection</b>	<b>(5,000)</b>	<b>(5,000)</b>	<b>(5,000)</b>

No.	DESCRIPTION	SERVICE AREA	ANNUAL NET COST		
			2008/09 £	2009/10 £	2010/11 £
9	Disinfestations - increase in charges and offering services to a wider customer base	Public Protection	(10,000)	(10,000)	(10,000)
10	Bereavement services - increase in fees and charges	Public Protection	(100,000)	(100,000)	(100,000)
11	Adopt legislation to charge for naming and numbering of roads	Engineering and Transportation	(6,000)	(6,000)	(6,000)
12	Rental income from café/coffee shop	Art Gallery	(34,000)	(34,000)	(34,000)
13	Sponsorship of festive lights	Arts and events	(43,000)	(43,000)	(43,000)
14	Sponsorship of events	Arts and events	0	(100,000)	(100,000)
15	Increase charges to schools for swimming pool maintenance	Sports Management	(2,500)	(5,000)	(5,000)
<b>TOTAL NEIGHBOURHOOD SERVICES</b>			<b>(339,000)</b>	<b>(458,500)</b>	<b>(458,500)</b>
<b>REGENERATION</b>					
16	Payments for externally provided archaeological services	Delivery & Development	(25,000)	(25,000)	(25,000)

No.	DESCRIPTION	SERVICE AREA	ANNUAL NET COST		
			2008/09 £	2009/10 £	2010/11 £
17	Consultants Fees - charging to capital projects to reduce revenue costs	Delivery & Development	(11,000)	(11,000)	(11,000)
18	Professional Fees and Services - charging to capital projects to reduce revenue costs	Delivery & Development	(12,000)	(12,000)	(12,000)
	<b>TOTAL REGENERATION</b>		<b>(48,000)</b>	<b>(48,000)</b>	<b>(48,000)</b>
	<b>TOTAL FEES AND CHARGES</b>		<b>(387,000)</b>	<b>(506,500)</b>	<b>(506,500)</b>

## EFFICIENCIES / SAVINGS

No.	DESCRIPTION	SERVICE AREA	ANNUAL NET COST			DETAILS OF EFFICIENCY / SAVING
			2008/09 £	2009/10 £	2010/11 £	
<b>NEIGHBOURHOOD SERVICES</b>						
1	Art Gallery - General efficiencies	Art Gallery	(10,000)	(10,000)	(10,000)	General efficiencies on administration / IT costs / building maintenance and utility costs
2	Art Gallery - front of house efficiencies	Art Gallery	(15,000)	(15,000)	(15,000)	General efficiencies on front of house costs
3	COCE - Out of school family learning service - service has already ceased	College of Continuing Education	(41,000)	(41,000)	(41,000)	Budget not required
4	Deletion of vacant post in highways management	Engineering & Transportation	(24,000)	(24,000)	(24,000)	Deletion of vacant post off the establishment
5	Re-tender of urban traffic control (UTC) contract	Engineering & Transportation	(20,000)	(20,000)	(20,000)	Re tender of the UTC contract producing a saving
6	Restructure traffic management	Engineering and Transportation	(3,000)	(4,500)	(4,500)	Restructuring proposals for the traffic management team releasing savings
7	Combining of greenspaces and arts events teams	Greenspaces	(30,000)	(30,000)	(30,000)	Combining greenspaces & arts events team - more efficient and effective use of events staff across the service.
8	Not filling vacancy in greenspaces improvement team	Greenspaces	(40,000)	(40,000)	(40,000)	Not filling of vacancy in greenspaces improvement team.
9	Reduce direct funding of the greenspaces improvement team	Greenspaces	(30,000)	(30,000)	(30,000)	The team will seek to find external funding. The likely source is Section 106 funding allocated for improvement work in public open space.

No.	DESCRIPTION	SERVICE AREA	ANNUAL NET COST			DETAILS OF EFFICIENCY / SAVING
			2008/09 £	2009/10 £	2010/11 £	
10	Savings from Library review - staffing	Libraries and Heritage	(70,000)	(70,000)	(70,000)	Library staffing changes following review of library opening hours and staffing requirements - YR 1 funded via Blakenhall library
11	Reduce promotion costs in Walsall Town Hall	Marketing and Development	(5,000)	(5,000)	(5,000)	Reduced promotion of events in Walsall Town Hall
12	Cease funding borough wide schemes from voluntary sector grants < £15k	Neighbourhood Management	(15,000)	(15,000)	(15,000)	Cease funding borough wide schemes from voluntary sector grants of less than £15k each.
13	Cease funding for separate community cohesion team	Neighbourhood Management	(40,000)	(40,000)	(40,000)	Restructure of equality and diversity team, resulting in staff saving. Work to be reallocated within team.
14	Seek alternate external funding for projects for LNP's	Neighbourhood Management	(50,000)	(50,000)	(50,000)	Seeking project funding for LNP's from alternative external grant sources
15	Equality and Diversity team - share support for translation with SCI	Neighbourhood Management	(16,000)	(16,000)	(16,000)	Sharing of support with social care on translation services, reducing cost of providing service.
16	Neighbourhood Partnerships - general efficiencies	Neighbourhood Management	(12,000)	(12,000)	(12,000)	General efficiencies in the service
17	Equality and Diversity team - restructure	Neighbourhood Management	(25,000)	(25,000)	(25,000)	Restructure of team following findings from consultants report.
18	Energy Savings	Property services	(90,000)	(90,000)	(90,000)	Energy conservation awareness and savings from good house keeping
19	Reduce daily maintenance budget for buildings	Property services	(50,000)	(50,000)	(50,000)	General efficiency on property maintenance.
20	General efficiencies	Property Services	(104,000)	(104,000)	(104,000)	General efficiencies within service - Identified to achieve a 3% reduction in budget.

No.	DESCRIPTION	SERVICE AREA	ANNUAL NET COST			DETAILS OF EFFICIENCY / SAVING
			2008/09 £	2009/10 £	2010/11 £	
21	Office rationalisation	Property Services	(225,000)	(225,000)	(225,000)	Office rationalisation to accommodate staff currently working in Tameway Tower and save on lease/rental payments.
22	Environmental health - deletion of vacant post	Public Protection	(22,000)	(22,000)	(22,000)	Delete p/t vacant EHO post. This post has been temporarily covered through an agency Environmental Health Officer whose contract will not be renewed.
23	Trading standards licensing - re-structure	Public Protection	(22,000)	(22,000)	(22,000)	Restructure of the licensing function.
24	Bereavement services - restructure	Public Protection	(20,000)	(20,000)	(20,000)	Restructure of the bereavement services function funded from increased income. Additional income approved by Cabinet November 06 required in first year, but not for future years.
25	Trading standards - reduced food standards	Public Protection	(10,000)	(10,000)	(10,000)	Reduce food standards sampling.
26	Trading standards - non food sampling	Public Protection	(10,000)	(10,000)	(10,000)	Reduce non food sampling projects.
27	Environmental health - food microbiological sampling	Public Protection	(4,000)	(4,000)	(4,000)	Reduce food hygiene sampling.
28	Reprovision of Darlaston multi purpose centre	Sports Management	(10,000)	(10,000)	(10,000)	Moving DPMC to more suitable site, releasing land to produce a capital receipt to the council.
29	Deletion of 2 x part time car park attendants	Sports Management	(6,000)	(12,000)	(12,000)	Removal of a car parking/security service - no external patrol of leisure centre

No.	DESCRIPTION	SERVICE AREA	ANNUAL NET COST			DETAILS OF EFFICIENCY / SAVING
			2008/09 £	2009/10 £	2010/11 £	
30	Part time gym instructor - review of availability of gym instruction in children's gyms	Sports Management	(5,000)	(10,000)	(10,000)	Review of gym provision by removing a part time gym instructor.
31	Alternative medium for delivering the curriculum programme	Sports Management	(26,000)	(26,000)	(26,000)	Review of curriculum programme within sports development to allow us to release the narrowboats
32	Combine greenspaces building maintenance and play fitters into one team.	Sports Management	(30,000)	(30,000)	(30,000)	Amalgamating the parks building maintenance function with the playground fitting service.
33	Reduction in cost of disposing of residual waste to incineration and reduction in tonnage of waste to landfill	Street Pride	(440,000)	(440,000)	(440,000)	The council is looking to reduce the amount of residual waste taken to landfill / incineration, with further promotion of recycling initiatives. The aim is to reduce costs of disposing of residual waste to incineration and a reduction in tonnage of waste to landfill.
34	Deletion of vacant posts in fleet	Street Pride	(49,500)	(49,500)	(49,500)	Deletion of vacant deputy charge hand and trainee posts within fleet services - to be carried out by other posts.
35	Reduction in costs of fleet materials	Street Pride	(20,000)	(20,000)	(20,000)	Reduction in need for materials due to reduction in the number and maintenance of vehicles.
36	SWBP - mediation service	SWBP	(6,000)	(6,000)	(6,000)	Reprovision of service from external to in-house resulting in £6k saving.
37	Race harassment and tension monitoring removal of unused budget	SWBP	(4,000)	(4,000)	(4,000)	Service currently not provided by SWBP therefore budget not required.

No.	DESCRIPTION	SERVICE AREA	ANNUAL NET COST			DETAILS OF EFFICIENCY / SAVING
			2008/09 £	2009/10 £	2010/11 £	
38	General efficiency savings	SWBP	(34,000)	(34,000)	(34,000)	General efficiencies within service - Identified to achieve a 3% reduction in budget.
	<b>TOTAL NEIGHBOURHOOD SERVICES</b>		<b>(1,633,500)</b>	<b>(1,646,000)</b>	<b>(1,646,000)</b>	
	<b>REGENERATION</b>					
39	Deletion of post	Local Land Charges	(16,173)	(16,173)	(16,173)	Deletion of information support officer post within the Land Charges team.
40	Shopmobility - review of service	Town Centre Management	0	(51,000)	(51,000)	One off investment of £45k funded from reserves in 2008/9 to release savings in year 2 onwards.
41	Reduction in printing costs	Communications	(10,000)	(10,000)	(10,000)	Reduction in printing costs for Walsall Pride/Team Spirit
42	Transfer of contribution for Walsall Regeneration Company from revenue to LABGI funding.	Regeneration	(50,000)	0	0	Use of LABGI funding for one year contribution to Walsall Regeneration Company.
43	Transfer of contribution for Black Country Consortium (BCC) from revenue to LABGI funding	Regeneration	(50,000)	0	0	Use of LABGI funding for one year contribution to Black Country Consortium.
44	Admin support to Children & Young People's services	Business Support	(80,000)	(80,000)	(80,000)	Removal of vacant posts and review of support
45	Admin support to Social Care & Inclusion	Business Support	(80,000)	(80,000)	(80,000)	Removal of vacant posts and review of support
46	Efficiencies arising from the Oracle financials project	Business Support	(40,000)	(200,000)	(600,000)	Efficiencies in support functions
47	Public protection admin support	Business Support	(7,868)	(7,868)	(7,868)	Removal of vacant posts and review of support

No.	DESCRIPTION	SERVICE AREA	ANNUAL NET COST			DETAILS OF EFFICIENCY / SAVING
			2008/09 £	2009/10 £	2010/11 £	
48	Reduction in admin support to recruitment and redeployment activity	Business Support	(19,000)	(19,000)	(19,000)	Removal of vacant posts and review of support
49	Reduction in PA / secretarial support to senior managers	Business Support	(50,000)	(125,000)	(125,000)	Further robust review of PA support to all management to reduce and consolidate support.
50	Reduction in admin support to Leisure Culture and Lifelong Learning	Business Support	0	(40,000)	(40,000)	Restructure of service and review of support
51	Reduction in performance management and policy	Business Support	0	(20,000)	(20,000)	Restructure of service and review of support
52	Reduction in admin support to print & design	Business Support	0	(94,000)	(94,000)	Dependant on decision awaited on options appraisal.
53	Admin support to HRD OD activity	Business Support	(40,000)	(40,000)	(40,000)	Restructure of service and review of support
54	Employee services transactional recruitment	HRD	(40,000)	(40,000)	(40,000)	Restructure of service
55	Transactional team - administration of all aspects of employment life cycle	HRD	(40,000)	(40,000)	(40,000)	Restructure of service
56	Payroll / pensions control	HRD	(20,000)	(20,000)	(20,000)	Restructure of service
57	Recruitment - support to management	HRD	(53,000)	(53,000)	(53,000)	Restructure of service
58	Cease graduate training scheme	HRD	(34,000)	(34,000)	(34,000)	No longer provide the graduate training scheme.
59	Management development centres	HRD	(48,273)	(48,273)	(48,273)	Reduction in management development centre programme.
60	Workforce Planning	HRD	(176,000)	(176,000)	(176,000)	Review of arrangements for carrying out workforce planning.

No.	DESCRIPTION	SERVICE AREA	ANNUAL NET COST			DETAILS OF EFFICIENCY / SAVING
			2008/09 £	2009/10 £	2010/11 £	
61	Deletion of information assistant post within SCI performance and outcomes team	Performance management	(18,000)	(18,000)	(18,000)	Deletion of post.
62	Coordination of consultation and engagement activity and other savings within consultation, feedback & information team	Performance management	(7,500)	(15,000)	(15,000)	General efficiencies within the team
63	Restructure of project team and performance team	Performance management	0	(28,000)	(28,000)	Restructure of project and performance team following implementation of new software system
64	Reduction in support of non statutory elements of performance management across regeneration and neighbourhood services	Performance management	(10,500)	(10,500)	(10,500)	Reduction in budget across the service
65	General efficiency savings	Performance management	(14,000)	(14,000)	(14,000)	General efficiency: CPA (2.5k), training (5.75k) and quality assurance assessments (5.75k)
66	Reduction in audit fees following implementation of CAA in 2009/10	Performance Management	0	(20,000)	(20,000)	Reduced fees following implementation of CAA
67	Reduction in training budgets	Strategic Transformation	(25,000)	(25,000)	(25,000)	This is a freeing up of training budget used to support HRD in 07-08. No impact on staff or services.
68	Reduction in supplies and services	Planning & Building Control	(25,000)	(25,000)	(25,000)	General efficiency savings on supplies and services, equipment and car mileage.
	<b>TOTAL REGENERATION</b>		<b>(954,314)</b>	<b>(1,349,814)</b>	<b>(1,749,814)</b>	
<b>CHILDRENS, ICT AND PROCUREMENT SERVICES</b>						

No.	DESCRIPTION	SERVICE AREA	ANNUAL NET COST			DETAILS OF EFFICIENCY / SAVING
			2008/09 £	2009/10 £	2010/11 £	
69	Vulnerable children's service - reduction in mileage budgets	Children & Families	(20,000)	(20,000)	(20,000)	Reduce budget for car allowances - budget has underspent during the last two years.
70	Child protection & review services - reduction in supplies budgets	Children & Families	(13,000)	(13,000)	(13,000)	Reduction in supplies and services budget - reduction in postal, telephone and car mileage budgets.
71	Local and prevention - realignment of grant funding	Children & Families	(61,000)	(61,000)	(61,000)	Realignment of grant funding will release revenue savings.
72	Youth offending service - remodelling for development of integrated youth support service	Children & Families	(45,000)	(45,000)	(45,000)	Remodelling of service should allow deletion of 1.6 posts which are currently vacant.
73	Vulnerable children's service - reduction in premises costs	Children & Families	(40,000)	(40,000)	(40,000)	All assessment and inclusion teams are now based at one location instead of several - this should allow a reduction in the premises budgets required
74	Youth offending services - reduction in building repairs and maintenance	Children & Families	(5,000)	(5,000)	(5,000)	Remodelling of service should rationalise location of staff and facilitate a reduction in premises budgets.
75	Delete specialist independent consultancy support	Children & Families	(75,000)	(75,000)	(75,000)	Deletion of budget currently used to fund one off project work within corporate parenting.
76	Reduction in Care Leavers Support budget	Children & Families	(42,000)	(42,000)	(42,000)	Reduction in budget providing support to care leavers based on underspend achieved on the budget in the last two years.

No.	DESCRIPTION	SERVICE AREA	ANNUAL NET COST			DETAILS OF EFFICIENCY / SAVING
			2008/09 £	2009/10 £	2010/11 £	
77	Sharpened approach to procurement activity	Procurement	(2,025,000)	(3,185,000)	(4,185,000)	Savings will be achieved through council wide renegotiation of existing contracts to achieve reduced prices, and retendering of contracts using more sophisticated procurement techniques.
78	Reduce budget for buildings maintenance	Youth Service	(35,000)	(35,000)	(35,000)	Planned remodelling and integration of Youth and Youth Offending service should release efficiencies around reduction in staff numbers, duplication of work, and premises and on costs budgets once services are integrated.
79	Remodelling and integration of youth and youth offending service - efficiencies	Youth Service	(35,000)	(35,000)	(35,000)	Planned remodelling and integration of Youth and Youth Offending service should release efficiencies around reduction in staff numbers, duplication of work, and premises and on costs budgets once services are integrated.
80	Remodelling and integration - reduce youth support staff	Youth Service	(56,000)	(56,000)	(56,000)	Planned remodelling and integration of Youth and Youth Offending service should release efficiencies around reduction in staff numbers, duplication of work, and premises and on costs budgets once services are integrated.

No.	DESCRIPTION	SERVICE AREA	ANNUAL NET COST			DETAILS OF EFFICIENCY / SAVING
			2008/09 £	2009/10 £	2010/11 £	
81	Youth service - remodelling for development of integrated youth support service	Youth Service	(200,000)	(200,000)	(200,000)	Planned remodelling and integration of Youth and Youth Offending service should release efficiencies around reduction in staff numbers, duplication of work, and premises and on costs budgets once services are integrated.
<b>TOTAL CHILDRENS, ICT AND PROCUREMENT SERVICES</b>			<b>(2,652,000)</b>	<b>(3,812,000)</b>	<b>(4,812,000)</b>	
<b>SOCIAL CARE AND INCLUSION</b>						
82	Working with the independent sector and voluntary organisations to reduce the cost of external placements and to provide contract efficiencies	YADS	(94,000)	(131,000)	(131,000)	Working with 4C's and procurement to implement new residential and nursing contracts via tendering and home care via a reverse auction process to bring down the cost of placements.
83	Working with the independent sector and voluntary organisations to reduce the cost of external placements and to provide contract efficiencies	Learning Disabilities	(168,000)	(235,000)	(235,000)	Working with 4C's and procurement to implement new residential and nursing contracts via tendering and home care via a reverse auction process to bring down the cost of placements.
84	Restructuring and efficiencies from within the care management teams via brokerage, change in assessment processes and streamlining practices	Learning Disabilities	0	(154,000)	(154,000)	Using a brokerage (package liaison) team to negotiate placements to avoid time taken by social workers to find packages of care. Reduces the no of social workers required and replaces with more efficient admin based negotiation team.

No.	DESCRIPTION	SERVICE AREA	ANNUAL NET COST			DETAILS OF EFFICIENCY / SAVING
			2008/09 £	2009/10 £	2010/11 £	
85	Reduced expenditure on interim management	Older People	(139,000)	(132,000)	(132,000)	Housing 21 contract should be in place by end of 2007/8 so interim management for OP reorganisation should not be required.
86	Working with the independent sector and voluntary organisations to reduce the cost of external placements and to provide contract efficiencies	Mental Health	(100,000)	(141,000)	(141,000)	Working with 4C's and procurement to implement new residential and nursing contracts via tendering and home care via a reverse auction process to bring down the cost of placements
87	Mental health subject to joint organisation - efficiencies arising from economies of scale / joint working	Mental Health	0	(209,000)	(209,000)	Joint MH service with Dudley commencing in 08/9 will mean less management support and commissioning support required.
88	Working with the independent sector and voluntary organisations to reduce the cost of external placements and to provide contract efficiencies	Older People	(640,000)	(895,000)	(895,000)	Working with 4C's and procurement to implement new residential and nursing contracts via tendering and home care via a reverse auction process to bring down the cost of placements.
89	Restructuring and generating efficiencies from within the care management teams via brokerage, changing in assessment processes, streamline practices.	Older People	0	(429,000)	(838,000)	Using a brokerage (package liaison) team to negotiate placements to avoid time taken by social workers to find packages of care. Reduces the no of social workers required and replaces with more efficient admin based negotiation team.
90	Reduced expenditure on repairs and maintenance due to recent investment	Supported Housing	(217,000)	(217,000)	(217,000)	Homeless projects would have a reduction in their repairs and maintenance budget.

No.	DESCRIPTION	SERVICE AREA	ANNUAL NET COST			DETAILS OF EFFICIENCY / SAVING
			2008/09 £	2009/10 £	2010/11 £	
91	Externalisation of integrated community equipment store	YADS	0	(50,000)	(50,000)	Working with private and voluntary sector to tender externally to provide a service for supply of minor walking aids and other minor aids to enable independence.
92	Externalise non specialist home support elements of home support.	Older People	0	(444,000)	(444,000)	Ceasing to provide in house home care service for general care packages and providing the service via the private or voluntary organisations. Out of hours and specialist home care would remain internal.
93	Savings in homecare as a result of using assistive technology	Older People	(300,000)	0	0	Implementing technological solutions for clients in their own homes e.g. falls sensors which will enable a reduction in no of home care visits.
94	Deletion team manager post following amalgamation of YADS and LD. Also restructuring and generating efficiencies from within the care management teams.	YADS	(20,000)	(199,000)	(199,000)	Using a brokerage (package liaison) team to negotiate placements to avoid time taken by social workers to find packages of care. Reduces the no of social workers required and replaces with more efficient admin based negotiation team. Streamlining service into one Disability Service will generate efficiency savings.
<b>TOTAL SOCIAL CARE AND INCLUSION</b>			<b>(1,678,000)</b>	<b>(3,236,000)</b>	<b>(3,645,000)</b>	
<b>CORPORATE SERVICES</b>						
95	Review of clerk work undertaken for LNP's	Constitutional services	(25,000)	(25,000)	(25,000)	Review of current procedures to realise efficiencies.

No.	DESCRIPTION	SERVICE AREA	ANNUAL NET COST			DETAILS OF EFFICIENCY / SAVING
			2008/09 £	2009/10 £	2010/11 £	
96	Deletion of vacant post	Finance	(31,000)	(31,000)	(31,000)	Deletion of vacant post and redistribution or removal of current workload of post
97	Reduction in debt charge costs for Magistrates courts	Finance	(30,000)	(30,000)	(30,000)	Reduction in charge for Magistrates from Birmingham CC
98	Re-structure of service support finance teams and finance support to services	Finance	(60,000)	(120,000)	(180,000)	Reviewing support provided to services and helping managers to become more self-sufficient in monitoring budgets by oracle reporting improvements.
99	Streamlining of monitoring process due to Oracle improvements	Finance	0	(60,000)	(120,000)	Reviewing support provided to services and helping managers to become more self-sufficient in monitoring budgets by oracle reporting improvements.
100	Reduction in work passed to external partner	Internal Audit	(10,000)	(10,000)	(10,000)	Reduction in work will result in less fees to partner.
101	Reduction in car mileage claims	Revenue and benefits	(10,000)	(10,000)	(10,000)	The DWP have removed the mandatory requirement to visit customers. Review the number of staff with essential car users.
102	Changes to out of hours activity payments	Revenue and benefits	(13,000)	(13,000)	(13,000)	Changes to out of hours activity payments
103	Improvement of recovery rates of overpayments	Revenue and benefits	(25,000)	0	0	Aim to test and implement software to recover overpayments direct from landlords which will improve recovery rates.

No.	DESCRIPTION	SERVICE AREA	ANNUAL NET COST			DETAILS OF EFFICIENCY / SAVING
			2008/09 £	2009/10 £	2010/11 £	
104	Reduce discretionary relief on NNDR	Revenue and benefits	(75,000)	(75,000)	(75,000)	Currently the amount of discretionary relief granted at Walsall is above the national average and an exercise is being undertaken to review the qualifying criteria which will realise the saving.
<b>TOTAL CORPORATE SERVICES</b>			<b>(279,000)</b>	<b>(374,000)</b>	<b>(494,000)</b>	
<b>CENTRAL ITEMS</b>						
105	Review of car allowance payments	All service areas	(200,000)	(200,000)	(200,000)	Review of casual and essential users allowance rates across the council.
<b>TOTAL CENTRAL ITEMS</b>			<b>(200,000)</b>	<b>(200,000)</b>	<b>(200,000)</b>	
<b>TOTAL EFFICIENCIES / SAVINGS</b>			<b>(7,396,814)</b>	<b>(10,617,814)</b>	<b>(12,546,814)</b>	

**SUMMARY OF DRAFT CORPORATE REVENUE BUDGET & COUNCIL TAX 2008/9**

SERVICE / LEVY ETC.	2007/8 BASIC FORECAST £000	INFLATIONARY PRESSURES £000	PAY RELATED CHANGES £000	OTHER CHANGES £000	BASIC FORECAST 2008/9 £000
Corporate services	15,350	110	513	-92	15,880
Social care & inclusion	66,539	1,515	909	4,120	73,083
Childrens, ICT & procurement services	73,407	476	879	559	75,321
Neighbourhood services	72,821	523	1,683	-63	74,963
Regeneration	5,846	-153	818	-399	6,111
<b>SUB TOTAL SERVICES</b>	<b>233,962</b>	<b>2,471</b>	<b>4,802</b>	<b>4,125</b>	<b>245,360</b>
Capital Financing	13,243	0	0	1,579	14,822
Removal of impact of depreciation	-21,254				-21,254
Removal of impact of notional interest	-28,344				-28,344
Non-service specific prudence/central items	3,220	363		1,273	4,856
<b>SUB TOTAL CENTRAL ITEMS</b>	<b>-33,135</b>	<b>363</b>	<b>0</b>	<b>2,852</b>	<b>-29,920</b>
<b>Levies:</b>					
PTE (% increase to be advised)	12,843	467			13,309
Environment Agency	94	5			98
					0
<b>NET REVENUE EXPENDITURE</b>	<b>213,763</b>	<b>3,305</b>	<b>4,802</b>	<b>6,977</b>	<b>228,847</b>
(Use of)/contribution to reserves	-839		0	739	-100
<b>GRAND TOTAL BUDGET REQUIREMENT</b>	<b>212,924</b>	<b>3,305</b>	<b>4,802</b>	<b>7,716</b>	<b>228,747</b>

FYE OF 2007/8 APPROVED SAVINGS £000	FYE OF 2007/8 APPROVED INVESTMENT £000	NEW SAVINGS / EFFICIENCIES & FEES & CHARGES £000	NEW INVESTMENT £000	FORECAST 2008/9 INCL. SAVINGS & INVESTMENT £000
0	0	-279	282	15,883
20	1,345	-1,678	2,345	75,115
0	0	-2,652	150	72,819
-173	0	-1,973	2,127	74,944
137	31	-1,002	185	5,462
<b>-16</b>	<b>1,376</b>	<b>-7,584</b>	<b>5,089</b>	<b>244,224</b>
0	0	0	0	14,823
0	0	0	0	-21,254
0	0	0	0	-28,344
0	0	-200	50	4,706
<b>0</b>	<b>0</b>	<b>-200</b>	<b>50</b>	<b>-30,069</b>
0	0	0	0	13,309
0	0	0	0	98
				0
<b>-16</b>	<b>1,376</b>	<b>-7,784</b>	<b>5,139</b>	<b>227,562</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-100</b>
<b>-16</b>	<b>1,376</b>	<b>-7,784</b>	<b>5,139</b>	<b>227,462</b>

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

- Removal of one off items
- Impact of ring fenced grant moving to formula grant
- Contribution to/ (from) reserves

Levies are subject to final notification

## SUMMARY OF DRAFT CORPORATE REVENUE BUDGET 2009/10

SERVICE / LEVY ETC.	2008/9 BASIC FORECAST £000	INFLATIONARY PRESSURES £000	PAY RELATED CHANGES £000	OTHER CHANGES £000	BASIC FORECAST 2009/10 £000
Corporate services	15,880	135	462	76	16,553
Social care & inclusion	73,083	1,760	897	124	75,864
Childrens, ICT & procurement services	75,321	561	809	24	76,715
Neighbourhood services	74,963	1,104	1,426	-69	77,425
Regeneration	6,111	51	934	0	7,096
<b>SUB TOTAL SERVICES</b>	<b>245,360</b>	<b>3,611</b>	<b>4,529</b>	<b>155</b>	<b>253,654</b>
Capital Financing	14,822	0	0	2,612	17,435
Removal of impact of depreciation	-21,254				-21,254
Removal of impact of notional interest	-28,344				-28,344
Non-service specific prudence/central items	4,856			2,446	7,302
<b>SUB TOTAL CENTRAL ITEMS</b>	<b>-29,920</b>	<b>0</b>	<b>0</b>	<b>5,058</b>	<b>-24,862</b>
<b>Levies:</b>					
PTE (% increase to be advised)	13,309	508			13,818
Environment Agency	98	5			103
					0
<b>NET REVENUE EXPENDITURE</b>	<b>228,847</b>	<b>4,124</b>	<b>4,529</b>	<b>5,214</b>	<b>242,713</b>
(Use of)/contribution to reserves	-100			100	0
<b>GRAND TOTAL BUDGET REQUIREMENT</b>	<b>228,747</b>	<b>4,124</b>	<b>4,529</b>	<b>5,314</b>	<b>242,713</b>

FYE OF 2007/8 APPROVED SAVINGS £000	FYE OF 2007/8 APPROVED INVESTMENT £000	NEW SAVINGS / EFFICIENCIES & FEES & CHARGES £000	NEW INVESTMENT £000	FORECAST 2009/10 INCL. SAVINGS & INVESTMENT £000
0	0	-374	282	16,461
20	1,465	-3,236	3,212	77,325
0	0	-3,812	-100	72,803
-173	0	-2,105	2,752	77,899
137	73	-1,398	0	5,909
<b>-16</b>	<b>1,538</b>	<b>-10,924</b>	<b>6,145</b>	<b>250,397</b>
0	0	0	0	17,435
0	0	0	0	-21,254
0	0	0	0	-28,344
0	0	-200	50	7,152
<b>0</b>	<b>0</b>	<b>-200</b>	<b>50</b>	<b>-25,012</b>
0	0	0	0	13,818
0	0	0	0	103
				0
<b>-16</b>	<b>1,538</b>	<b>-11,124</b>	<b>6,195</b>	<b>239,306</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>-16</b>	<b>1,538</b>	<b>-11,124</b>	<b>6,195</b>	<b>239,306</b>

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

- Removal of one off items
- Impact of ring fenced grant moving to formula grant
- Contribution to/ (from) reserves

Levies are subject to final notification

**SUMMARY OF DRAFT CORPORATE REVENUE BUDGET 2010/11**

SERVICE / LEVY ETC.	2009/10 BASIC FORECAST £000	INFLATIONARY PRESSURES £000	PAY RELATED CHANGES £000	OTHER CHANGES £000	BASIC FORECAST 2010/11 £000
Corporate services	16,553	137	454	0	17,145
Social care & inclusion	75,864	1,769	901	120	78,654
Childrens, ICT & procurement services	76,715	569	742	24	78,050
Neighbourhood services	77,425	1,105	1,374	76	79,981
Regeneration	7,096	41	844	0	7,982
<b>SUB TOTAL SERVICES</b>	<b>253,654</b>	<b>3,621</b>	<b>4,316</b>	<b>220</b>	<b>261,812</b>
Capital Financing	17,435	0	0	1,772	19,208
Removal of impact of depreciation	-21,254				-21,254
Removal of impact of notional interest	-28,344				-28,344
Non-service specific prudence/central items	7,302			1,045	8,347
<b>SUB TOTAL CENTRAL ITEMS</b>	<b>-24,862</b>	<b>0</b>	<b>0</b>	<b>2,817</b>	<b>-22,044</b>
<b>Levies:</b>					
PTE (% increase to be advised)	13,818	528			14,346
Environment Agency	103	5			108
					0
<b>NET REVENUE EXPENDITURE</b>	<b>242,713</b>	<b>4,154</b>	<b>4,316</b>	<b>3,037</b>	<b>254,221</b>
(Use of)/contribution to reserves	0				0
<b>GRAND TOTAL BUDGET REQUIREMENT</b>	<b>242,713</b>	<b>4,154</b>	<b>4,316</b>	<b>3,037</b>	<b>254,221</b>

FYE OF 2007/8 APPROVED SAVINGS £000	FYE OF 2007/8 APPROVED INVESTMENT £000	NEW SAVINGS / EFFICIENCIES & FEES & CHARGES £000	NEW INVESTMENT £000	FORECAST 2010/11 INCL. SAVINGS & INVESTMENT £000
0	0	-494	282	16,933
20	1,465	-3,645	3,524	80,018
0	0	-4,812	-100	73,138
-173	0	-2,105	3,192	80,895
137	126	-1,798	0	6,447
-16	1,591	-12,853	6,898	257,430
0	0	0	0	19,208
0	0	0	0	21,254
0	0	0	0	28,344
0	0	-200	50	8,197
0	0	-200	50	22,194
0	0	0	0	14,346
0	0	0	0	108
				0
-16	1,591	-13,053	6,948	249,690
0	0	0	0	-
-16	1,591	-13,053	6,948	249,690

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

- Removal of one off items
- Impact of ring fenced grant moving to formula grant
- Contribution to/ (from) reserves

Levies are subject to final notification

**SUMMARY OF DRAFT CORPORATE REVENUE BUDGET 2011/12**

SERVICE / LEVY ETC.	2010/11 BASIC FORECAST £000	INFLATIONARY PRESSURES £000	PAY RELATED CHANGES £000	OTHER CHANGES £000	BASIC FORECAST 2011/12 £000
Corporate services	17,145	140	443	0	17,728
Social care & inclusion	78,654	1,828	926	84	81,493
Childrens, ICT & procurement services	78,050	450	698	26	79,224
Neighbourhood services	79,981	1,181	1,321	5	82,487
Regeneration	7,982	48	777	0	8,806
<b>SUB TOTAL SERVICES</b>	<b>261,812</b>	<b>3,648</b>	<b>4,165</b>	<b>115</b>	<b>269,738</b>
Capital Financing	19,208			943	20,151
Removal of impact of depreciation	-21,254				-21,254
Removal of impact of notional interest	-28,344				-28,344
Non-service specific prudence/central items	8,347			80	8,427
<b>SUB TOTAL CENTRAL ITEMS</b>	<b>-22,044</b>	<b>0</b>	<b>0</b>	<b>1,023</b>	<b>-21,021</b>
<b>Levies:</b>					
PTE (% increase to be advised)	14,346	548			14,894
Environment Agency	108	5			114
					0
<b>NET REVENUE EXPENDITURE</b>	<b>254,221</b>	<b>4,201</b>	<b>4,165</b>	<b>1,137</b>	<b>263,724</b>
(Use of)/contribution to reserves	0				0
<b>GRAND TOTAL BUDGET REQUIREMENT</b>	<b>254,221</b>	<b>4,201</b>	<b>4,165</b>	<b>1,137</b>	<b>263,724</b>

FYE OF 2007/8 APPROVED SAVINGS £000	FYE OF 2007/8 APPROVED INVESTMENT £000	NEW SAVINGS / EFFICIENCIES & FEES & CHARGES £000	NEW INVESTMENT £000	FORECAST 2011/12 INCL. SAVINGS & INVESTMENT £000
0	0	-494	282	17,516
20	1,465	-3,645	4,100	83,432
0	0	-5,812	-200	73,212
-173	0	-2,105	3,182	83,391
137	126	-1,798	0	7,272
<b>-16</b>	<b>1,591</b>	<b>-13,853</b>	<b>7,364</b>	<b>264,823</b>
0	0	0	0	20,151
0	0	0	0	-21,254
0	0	0	0	-28,344
0	0	-200	50	8,277
<b>0</b>	<b>0</b>	<b>-200</b>	<b>50</b>	<b>-21,171</b>
0	0	0	0	14,894
0	0	0	0	114
<b>-16</b>	<b>1,591</b>	<b>-14,053</b>	<b>7,414</b>	<b>258,659</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>-16</b>	<b>1,591</b>	<b>-14,053</b>	<b>7,414</b>	<b>258,659</b>

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

- Removal of one off items
- Impact of ring fenced grant moving to formula grant
- Contribution to/ (from) reserves

**SUMMARY OF DRAFT CORPORATE REVENUE BUDGET 2012/13**

SERVICE / LEVY ETC.	2011/12 BASIC FORECAST £000	INFLATIONARY PRESSURES £000	PAY RELATED CHANGES £000	OTHER CHANGES £000	BASIC FORECAST 2012/13 £000
Corporate services	17,728	143	444	0	18,315
Social care & inclusion	81,493	1,890	951	87	84,421
Childrens, ICT & procurement services	79,224	715	695	25	80,660
Neighbourhood services	82,487	1,241	1,327	6	85,061
Regeneration	8,806	46	757	0	9,610
<b>SUB TOTAL SERVICES</b>	<b>269,738</b>	<b>4,035</b>	<b>4,174</b>	<b>118</b>	<b>278,066</b>
Capital Financing	20,151			193	20,344
Removal of impact of depreciation	-21,254				-21,254
Removal of impact of notional interest	-28,344				-28,344
Non-service specific prudence/central items	8,427			408	8,835
<b>SUB TOTAL CENTRAL ITEMS</b>	<b>-21,021</b>	<b>0</b>	<b>0</b>	<b>601</b>	<b>-20,420</b>
<b>Levies:</b>					
PTE (% increase to be advised)	14,894	450			15,344
Environment Agency	114				114
					0
<b>NET REVENUE EXPENDITURE</b>	<b>263,724</b>	<b>4,485</b>	<b>4,174</b>	<b>719</b>	<b>273,103</b>
(Use of)/contribution to reserves	0				0
<b>GRAND TOTAL BUDGET REQUIREMENT</b>	<b>263,724</b>	<b>4,485</b>	<b>4,174</b>	<b>719</b>	<b>273,103</b>

FYE OF 2007/8 APPROVED SAVINGS £000	FYE OF 2007/8 APPROVED INVESTMENT £000	NEW SAVINGS / EFFICIENCIES & FEES & CHARGES £000	NEW INVESTMENT £000	FORECAST 2012/13 INCL. SAVINGS & INVESTMENT £000
0	0	-494	282	18,103
20	1,465	-3,645	4,663	86,923
0	0	-5,812	-200	74,648
-173	0	-2,105	3,185	85,967
137	126	-1,798	0	8,075
<b>-16</b>	<b>1,591</b>	<b>-13,853</b>	<b>7,930</b>	<b>273,716</b>
0	0	0	0	20,343
0	0	0	0	-21,254
0	0	0	0	-28,344
0	0	-200	50	8,686
<b>0</b>	<b>0</b>	<b>-200</b>	<b>50</b>	<b>-20,570</b>
0	0	0	0	15,344
0	0	0	0	114
<b>-16</b>	<b>1,591</b>	<b>-14,053</b>	<b>7,980</b>	<b>268,604</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>-16</b>	<b>1,591</b>	<b>-14,053</b>	<b>7,980</b>	<b>268,604</b>

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

- Removal of one off items
- Impact of ring fenced grant moving to formula grant
- Contribution to/ (from) reserves

## **ANNEX 9 CFO REPORT - WORD**

## FORECAST OF PROVISIONS AND EARMARKED RESERVES

	OPENING BALANCE @ 01.04.07 £	ANTICIPATED MOVEMENTS 2007/8 £	ANTICIPATED MOVEMENTS 2008/9 £	ESTIMATED CLOSING BALANCE @ 31.03.09 £
<b><u>EARMARKED RESERVES</u></b>				
1) Mediation <i>Reserve to cover outstanding mediation costs</i>	(250,000)	250,000	0	0
2) Transformational change / path to excellence <i>This reserve was created in to support the establishment of a performance fund to drive / support recovery</i>	(11,823)	11,823	0	0
3) Approved carry forward of underspends  <i>This is a best practice approach whereby council services which can demonstrate that underspends are as a result of sound budget management rather than 'windfalls' and/or where cashflows mean that costs will fall into a later year by default are allowed to carry a % of this forward to utilise in future years against targeted projects that improve service delivery or aid service development. A proportion of some overspends is also carried forward under this scheme in accordance with the carry forward protocol.</i>	(689,333)	689,333	Not available at this point in time	0
4) Oracle <i>This reserve was created to fund further enhancements of the current financial systems.</i>	(283,554)	22,000	261,554	0
5) Strategic Transformation <i>This was created to drive forward the transformation of the authority</i>	(654,864)	504,864	150,000	0
6) Landfill tax scheme <i>New regulations allow for any used landfill credits to be kept and used in future years if the authority exceeds its landfill allowance.</i>	(324,341)	(117,000)	Not available at this point in time	(441,341)

	OPENING BALANCE @ 01.04.07 £	ANTICIPATED MOVEMENTS 2007/8 £	ANTICIPATED MOVEMENTS 2008/9 £	ESTIMATED CLOSING BALANCE @ 31.03.09 £
7) Community engagement <i>This reserve was established to provide some pump priming support to LNP's in implementing their Local Plan.</i>	(211,354)	58,635	152,719	0
8) Education contract <i>The current education contract ends July 2008. This reserve is to help cover the costs of putting together a new contract.</i>	(211,983)	49,968	162,015	0
9) Early retirement costs  <i>This reserve is held to help cover the cost of future increases in the employers superannuation rate as a result of early retirement decisions. If a service grants early retirement, the future pension cost to Walsall is calculated and charged to the originating service at the time.</i>	(1,081,262)	(36,638)	Not available at this point in time	(1,117,900)
10) Local Authority Business Growth Initiative (LABGI)  <i>This reserve is held to help cover the cost of one off projects to create the environment for further business and economic growth within the borough.</i>	(2,704,430)	1,105,666	0	(1,598,764)
11) School balances  <i>Unspent balances of budgets delegated to individual schools.</i>	(9,292,112)	1,000,000	Not available at this point in time	(8,292,112)
12) Commutation adjustment  <i>The reserve is to provide support over the period that the commutation adjustment reduces to zero. The support will ensure that the reduction in the adjustment is smoothed over a period of time.</i>	(1,628,998)	(1,200,000)	286,000	(2,542,998)
13) New Waste Summer Work / wate tipping  <i>Reserve set up to cover one off costs of introduction of new waste recycling scheme and fly tipping</i>	0	(285,000)	285,000	0

	OPENING BALANCE @ 01.04.07 £	ANTICIPATED MOVEMENTS 2007/8 £	ANTICIPATED MOVEMENTS 2008/9 £	ESTIMATED CLOSING BALANCE @ 31.03.09 £
14) Building schools for the future <i>This reserve is to fund the implementation of the government initiative to rebuild / refurbish all secondary schools in the country. This will attract major capital investment.</i>	0	(500,000)	500,000	0
15) Shopmobility <i>To facilitate a complete review of the shopmobility programme, and the development of a continuation / exit strategy from council funding</i>	0	(45,000)	45,000	0
16) Job evaluation / trade unions <i>To fund a manager to undertake the statutory single status process throughout the council and funding needed to ensure trade union representation during the job evaluation process</i>	0	(100,000)	100,000	0
17) Pensions reserve  <i>This is a ringfenced reserve required in order to comply with accounting regulations concerning the local government pensions scheme (LGPS). It reflects the net liability Walsall would have to contribute to the LGPS if <u>all</u> employees in the scheme were to retire at the financial year end. It is not a reflection of monies actually owed to the pension scheme in real terms. Future years liabilities cannot be assessed as these are dependant upon future movements in financial markets.</i>	207,485,070	Not available at this point in time	Not available at this point in time	207,485,070
<b>SUB TOTAL OTHER EARMARKED RESERVES</b>	<b>190,141,016</b>	<b>1,408,651</b>	<b>1,942,288</b>	<b>193,491,955</b>

	OPENING BALANCE @ 01.04.07 £	ANTICIPATED MOVEMENTS 2007/8 £	ANTICIPATED MOVEMENTS 2008/9 £	ESTIMATED CLOSING BALANCE @ 31.03.09 £
<b><u>MISCELLANEOUS PROVISIONS</u></b>				
1) Provision for part time employee pension costs	(223,355)	0	0	(223,355)
<i>This provision was set up to cover the backdated contributions of part time employees pensions following a change in regulations which allowed part-time workers who were previously ineligible to now join the scheme.</i>				
2) Unitary Development Plan	(23,194)	23,194	0	0
<i>Provision set up to cover costs of a unitary development plan which we have a legal obligation to produce.</i>				
3) General provision within Leisure & Culture	(17,492)	17,492	0	0
<i>Set up to cover redundancy costs</i>				
4) Section 117	(638,613)	142,000		(496,613)
<i>Provision to provide for claims against the authority under mental health section 117. Dependent on individual claims being received, difficult to predict number and value of claims.</i>				
			Not available at this point in time	
5) Severn Trent Employee Pensions	(12,794)	1,751	1,800	(9,243)
<i>To cover former severn trent employee pension costs following termination of agency agreement</i>				
6) Housing benefit transitional scheme	(1,217,709)	Not available at this point in time	Not available at this point in time	(1,217,709)
<i>Provision set up to cover the cost of repayment of housing benefit under the transitional scheme.</i>				
7) Insurance fund	(2,677,112)	Not available at this point in time	Not available at this point in time	(2,677,112)
<i>Provision to cover costs of all possible outstanding insurance claims against the authority</i>				
8) Butlers Passage	(4,971)	4,971	0	0

*Provision for legal fees for Butlers Passage.*

<b>OPENING BALANCE @ 01.04.07 £</b>	<b>ANTICIPATED MOVEMENTS 2007/8 £</b>	<b>ANTICIPATED MOVEMENTS 2008/9 £</b>	<b>ESTIMATED CLOSING BALANCE @ 31.03.09 £</b>
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	<b>OPENING BALANCE @ 01.04.07 £</b>	<b>ANTICIPATED MOVEMENTS 2007/8 £</b>	<b>ANTICIPATED MOVEMENTS 2008/9 £</b>	<b>ESTIMATED CLOSING BALANCE @ 31.03.09 £</b>
9) Community development staff to NP & P <i>Provision for redundancy costs.</i>	(27,217)	27,217	0	0
10) Redundancy costs -programe manager <i>Provision for potential redundancy costs.</i>	(14,749)	14,749	0	0
11) Mediation <i>Provision to cover known mediation costs</i>	(40,500)	40,500	0	0
12) Consultant costs <i>Provision to cover additional consultancy costs</i>	(5,000)	5,000	0	0
<b>SUB TOTAL MISCELLANEOUS PROVISIONS</b>	<b>(4,902,706)</b>	<b>276,874</b>	<b>1,800</b>	<b>(4,624,032)</b>

## Financial Risk Assessment - Corporate Revenue Budget 2008/9

POTENTIAL RISK	LOWEST COST £'000	ASSESSMENT OF RISK	HIGHEST COST £'000	ASSESSMENT OF RISK	TOTAL FINANCIAL EXPOSURE TO RISK £'000	TOTAL ESTIMATED EXPOSURE £'000
<b>NEIGHBOURHOOD SERVICES</b>						
Non - achievement of savings within 2008/9 budget						
- support for festive lights	0	-	43	High	43	26
- release of narrow boats	0	-	26	High	26	16
- efficiencies within the New Art Gallery	25	Low	50	Medium	50	20
- public protection staffing reductions	0	-	22	Medium	22	9
- deletion of a senior engineer in highways management - vacant post	0	-	24	Low	24	5
- increase in MOT charges	0	-	15	Medium	15	6
- further reduction in waste disposal	0	-	50	Medium	50	20
- increase in trade waste income	0	-	50	Low	50	10
- reduction in PMI budgets	0	-	100	High	100	60
- seek project funding from alternative grant sources	0	-	50	Medium	50	20
- office rationalisation	0	-	225	Low	225	45
- reduction in investment for school meals service	0	-	100	Low	100	20
- non achievement of income target bereavement services	0	-	100	Low	100	20
Illuminations - non achievement of income targets	0	-	250	Medium	250	100
Property services – contractors claims	100	High	200	Medium	200	80
Catering service - overspend due to new government school meals legislation	50	High	125	High	125	75
Non achievement of income targets for sports fees and charges	0	-	100	Medium	100	40
<b>Total Neighbourhood services</b>	<b>175</b>		<b>1,530</b>		<b>1,530</b>	<b>571</b>
<b>REGENERATION</b>						
Non - achievement of savings within 2008/9 budget						
- Payments for externally provided archaeological services	0	-	15	Low	15	3
- Consultant and professional fees to be charged to capital project and not revenue	0	-	23	Low	23	5
- deletion of information support officer - local land charges	0	-	16	Low	16	3
- reduction in print costs for Walsall Pride / Team Spirit	0	-	10	Low	10	2
- transfer of contribution for WRC and BCC from revenue to LABGI	0	-	100	Low	100	20
- reduction in supplies and services planning and building control	0	-	25	Low	25	5
Shortfall on land charges income	0	-	85	Low	85	17
Performance management - delay in implementing employee related savings	15	High	30	High	30	18
Performance management - change in legislation CPA to CAA generates need for additional resources and / or realignment of existing resources	0	-	72	High	72	43
Performance management - LAA monitoring transfers from Walsall partnership to performance management	0	-	36	High	36	22
Business support - delays in implementing business support savings	0	-	275	Low	275	55
Inability to meet savings targets through natural wastage	0	-	350	Medium	350	140
HRD - low or no take up of traded services	0	-	461	Low	461	92
HRD - loss of key staff	10	Low	100	Low	100	20
HRD - job evaluation not completed on time	0	-	150	Medium	150	60
HRD - increase in communication and awareness costs relating to job evaluation	0	-	10	Low	10	2
HRD - possible loss of grant funding due to specific grant moving to LAA grant	0	-	883	Medium	883	353
HRD - little or no advertising income obtained by recruitment team	0	-	73	Low	73	15
HRD - unforeseen changes in organisational direction and impact on capacity/	50	High	100	Medium	100	40
HRD - unscheduled demand on capacity required by directorates	10	High	50	Medium	50	20

POTENTIAL RISK	LOWEST COST £'000	ASSESSMENT OF RISK	HIGHEST COST £'000	ASSESSMENT OF RISK	TOTAL FINANCIAL EXPOSURE TO RISK £'000	TOTAL ESTIMATED EXPOSURE £'000
HRD - statutory payroll and pensions returns not done on time	0	-	30	Low	30	6
<b>Total Regeneration incl. HRD, Transformation and CPM</b>	<b>85</b>		<b>2,894</b>		<b>2,894</b>	<b>941</b>
<b>CENTRAL ITEMS</b>						
Capital Financing - change in borrowing interest rates	-200	-	1,886	Low	1,886	377
Bellwin National Emergency Scheme	0	-	800	Medium	800	800
Fallout of NRF	0	-	269	-	269	319
<b>Total Central Items</b>	<b>-200</b>		<b>2,955</b>		<b>2,955</b>	<b>1,496</b>
<b>CORPORATE SERVICES</b>						
Planned programme of audit work not achieved impacting on ability to provide overall annual opinion for Corporate Governance Statement purpose - internal audit	0	-	11	Low	11	2
Inability to attract appropriately qualified and experienced auditors to current vacancies - internal audit	0	-	14	Low	14	3
NNDR regulations changed - need to collect 100% on vacant properties instead of 50%. Risk of low collection on the additional 50% - revenue and benefits	0	-	20	Medium	20	8
£42 referral charge is to be levied for each bailiff case put forward. Risk this will have to be met by the authority and not passed on to the debtor - revenue and benefits	0	-	570	High	570	342
Welfare rights - fall out of NRF funding	0	-	120	High	120	72
Use of agency staff in revenue and benefits to cover high levels of sick leave and vacancy cover required to maintain performance targets	20	Low	80	Low	80	16
Legal - increased subscription costs	0	-	40	High	40	24
Legal - continuous professional development training	0	-	17	High	17	10
Insurance - loss of service agreement with WHG	0	-	60	Medium	60	24
<b>Total Corporate services</b>	<b>20</b>		<b>932</b>		<b>932</b>	<b>501</b>
<b>Children's, ICT and Procurement</b>						
Unable to reduce the number of looked after children	0	-	237	Low	237	47
Child concern workers invest to save proposal does not have desired impact	0	-	100	Low	100	20
Unable to achieve reduced mileage costs	0	-	20	Low	20	4
Development of integrated youth support service does not create expected efficiencies	0	-	332	Low	332	66
Unable to generate savings through improved procurement processes and techniques	0	-	1,500	Low	1,500	300
Additional court fees charges arising from Public Family Law Service review of fees	50	High	229	High	229	137
Implementation of print unit option does not make unit break-even	0	-	350	Low	350	70
<b>Total Children's, ICT and Procurement</b>	<b>50</b>		<b>2,768</b>		<b>2,768</b>	<b>645</b>
<b>SOCIAL CARE AND INCLUSION</b>						
Inability to deliver service plans, targets and service improvement and modernisation within cash limited revenue budgets - management action plan in place	0	-	699	Medium	699	280
<b>Total Social Care and Inclusion</b>	<b>0</b>		<b>699</b>		<b>699</b>	<b>280</b>
<b>TOTAL</b>	<b>130</b>		<b>11,778</b>		<b>11,778</b>	<b>4,434</b>

Note 1

Note 1: Full funding in accordance with national emergency funding guidelines required to be covered

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

### **Context**

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

### **Adequacy of reserves**

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

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

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

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

level of general reserves and provisions. Our combined medium term financial strategy (MTFS), decision conferencing and budget preparation processes have been identified by the Audit Commission as areas of good practice to be shared nationally. The eighth (revised) edition of our MTFS was approved in November 2007. Reserves and contingencies are addressed as the first of ten themes of strategic principles, demonstrating our acknowledgement of the importance of sound governance and the priority this issue is given.

The level of general reserves, in the same way as central contingency, is index linked to the level of the net general fund revenue budget and continues to be informed by the risk assessment. The council will establish opening general reserves of between 2.25% and 4% of the total net general fund revenue budget, the precise level within this range to be determined by risk assessment. The level of reserves for 2008/9 will be c£5.2 m which is within the required range.

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

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

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

#### Schools Reserves

The CFO as part of this statement is required to confirm that schools balances are adequate. In 2006/7, DfES introduced some new expectations on local

authorities with regard to their schemes of financial management. Part of this legislation states that schools should have a balance control mechanism.

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

The adequacy of balances is reviewed annually by the CFO. 5 primary (including 1 that has closed) and 3 secondary (including 1 that has closed) schools are in deficit. Action plans have been put in place to deal with each of these. The levels of reserves will be kept under regular review along with compliance with BCM through 2008/9. The overall level of reserves is considered prudent.

### **Use of Reserves**

The above assessment demonstrates that general reserves are at an appropriate level; as determined in accordance with the MTFS and the CFO's professional advice. The MTFS allows any reserves above the level required by the MTFS to be used to fund one off items of expenditure. No general reserves below the minimum threshold are being used to support the 2008/9 budget and no reserves are being used to fund recurring expenditure. The risk assessment described elsewhere in this report has informed the established level of general and earmarked reserves. CIPFA guidance (LAAP 55) provides two methods of determining the minimum level of reserves. Walsall Council uses the method based on risk assessment.

### **Robustness of Budget**

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

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

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

Timetable - the process commenced in summer 2007 and the draft budget options were available in November before the draft Government financial settlement. This enabled budget conferences to take place with cabinet in November 2007 and with corporate services scrutiny on 26 November and 28 November 2007. Formal scrutiny took place in November and January by all five

panels. Public consultation has been ongoing since September 2007. The final budget is due to be set at Council on 25 February 2008, well within the statutory deadline.

Member involvement and Scrutiny - both informal and formal member involvement has been extensive, particularly through the cabinet portfolio holder for finance, individual portfolio holders in conjunction with executive directors, decision conference with the cabinet and separately with the corporate services scrutiny panel in November. Cabinet formally considered a draft budget on 16 January 2008. Scrutiny panels have each had two opportunities to make recommendations and comments to cabinet, both on the services within their individual remit and the overall budget. Presentations have also been made to political groups.

Consultation - internally and externally, has been comprehensive as outlined in this report and in separate reports to cabinet on 19 December and 16 January.

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

Budget monitoring - reports continue to be submitted to cabinet, scrutiny panels, SLT, performance boards and management teams across the council throughout the year. The council's individual performance management (IPM) process (which has been refreshed again this year) also requires review of financial performance for individual managers, complementary to the formal accountability process.

Capping - based on the council tax increase outlined in this report (less than 5%), capping will not occur. The contingency plan should the capping criteria change would be to either identify additional savings or to remove some planned investment from the budget to the level of the cap.

Ownership and accountability - the budget has progressed through various filters during its construction including endorsement of management teams within services and SLT itself. Accountability letters are sent to senior managers and capital project managers setting out budget scope and responsibilities, including implementation of investment and savings. Managers are required to sign and return a copy acknowledging their responsibilities. This is formally tracked and reported on throughout the year. The IPM process similarly requires formal assessment of individual budget management responsibilities. The accountability letters will be issued again before the start of the 2008/9 financial year and as in all years, developed further from the previous year.

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

the council and its level of reserves. The current financial position has been reported on consistently throughout the year. The 2008/9 draft budget includes no replenishment of reserves as the currently predicted net revenue overspend in 2007/8 can be met from existing reserves.

#### Key assumptions

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

Financial risks - the council continues to use an embedded good practice risk assessment approach both when setting the budget and in validating estimated outturns. This continues for the 2007/8 outturn and 2008/9 plus budget. Details are set out in this report and **Annex 11**. The prevailing level of general reserves is considered adequate to cover all but the most unusual and serious combination of events.

#### The budget in context

The budget is a reflection of the vision, aims, objectives and policies of the council, and has been constructed with that in mind. The budget has been constructed in accordance with the principles and direction of the MTFs.

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

#### **Summary**

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



James T. Walsh, B. Hum (Hons), ACMA

**SUMMARY OF DRAFT CORPORATE REVENUE FORECAST 2008/9****1. DRAFT COUNCIL TAX EXCLUDING PRECEPTS (WALSALL COUNCIL ONLY)****A. LEVELS FOR PROPERTIES WITH TWO OR MORE RESIDENTS (67% of Properties)**

BAND	WEIGHT	2007/8 C.TAX	2008/9 C.TAX	ANNUAL CHANGE	ANNUAL INCREASE
		£	£	£	%
A	6/9	831.25	855.34	24.09	2.90%
B	7/9	969.79	997.90	28.11	2.90%
C	8/9	1,108.33	1,140.45	32.12	2.90%
D	9/9	1,246.87	1,283.01	36.14	2.90%
E	11/9	1,523.95	1,568.13	44.18	2.90%
F	13/9	1,801.03	1,853.24	52.21	2.90%
G	15/9	2,078.11	2,138.35	60.24	2.90%
H	18/9	2,493.74	2,566.02	72.28	2.90%

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

BAND	WEIGHT	2007/8 TOTAL C.TAX	2008/9 WMBC C.TAX	ESTIMATE - ACTUAL T.B.A		OVERALL (INC PRECEPTS)		
				2008/9 FIRE PRECEPT	2008/9 POLICE PRECEPT	2008/9 TOTAL C.TAX	ANNUAL C.TAX INCREASE	ANNUAL C.TAX INCREASE
		£	£	£	£	£	£	%
A	6/9	921.85	855.34	30.49	63.11	948.94	27.09	2.94%
B	7/9	1,075.49	997.90	35.58	73.63	1,107.11	31.62	2.94%
C	8/9	1,229.13	1,140.45	40.66	84.15	1,265.26	36.13	2.94%
D	9/9	1,382.77	1,283.01	45.74	94.67	1,423.42	40.65	2.94%
E	11/9	1,690.05	1,568.13	55.90	115.71	1,739.74	49.69	2.94%
F	13/9	1,997.33	1,853.24	66.07	136.74	2,056.05	58.72	2.94%
G	15/9	2,304.62	2,138.35	76.23	157.78	2,372.36	67.74	2.94%
H	18/9	2,765.54	2,566.02	91.48	189.34	2,846.84	81.30	2.94%

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

BAND	WEIGHT	2007/8 TOTAL C.TAX	2008/9 WMBC C.TAX	ESTIMATE - ACTUAL T.B.A		OVERALL (INC PRECEPTS)		
				2008/9 FIRE PRECEPT	2008/9 POLICE PRECEPT	2008/9 TOTAL C.TAX	ANNUAL C.TAX INCREASE	ANNUAL C.TAX INCREASE
		£	£	£	£	£	£	%
A	6/9	691.39	641.51	22.87	47.33	711.71	20.32	2.94%
B	7/9	806.62	748.42	26.68	55.22	830.32	23.70	2.94%
C	8/9	921.85	855.34	30.49	63.11	948.94	27.09	2.94%
D	9/9	1,037.08	962.26	34.30	71.00	1,067.56	30.48	2.94%
E	11/9	1,267.54	1,176.09	41.93	86.78	1,304.80	37.26	2.94%
F	13/9	1,498.00	1,389.93	49.55	102.56	1,542.04	44.04	2.94%
G	15/9	1,728.46	1,603.76	57.17	118.34	1,779.27	50.81	2.94%
H	18/9	2,074.16	1,924.52	68.61	142.00	2,135.13	60.97	2.94%

**3. SPREAD OF PROPERTIES**

The proportion of properties within Walsall MBC within each Council Tax band at 1st December 2007 is as follows:

BAND	A	B	C	D	E	F	G	H	TOTAL
PROPERTIES (No)	49,204	24,975	16,792	9,707	5,336	2,249	725	55	109,043
PROPERTIES (%)	45.12	22.91	15.40	8.90	4.89	2.06	0.67	0.05	100
CUMULATIVE TOTALS	68.04%								
	83.44%								
	92.34%								

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

BAND	A	B	C	D	E	F	G	H
£	0.46	0.54	0.62	0.69	0.85	1.00	1.16	1.39