

22 NOVEMBER 2018

Draft Revenue Budget and Capital Programme 2018/19 – 2021/22

Ward(s) All

Portfolios:

Councillor A. Andrew – Deputy Leader of the Council and Regeneration

Councillor L. Harrison – Clean and Green

Councillor G. Perry – Community, Leisure and Culture

Executive Summary:

The draft revenue budget and capital programme, as reported to Cabinet on 24 October 2018, includes the latest medium term financial outlook for the four year period from 2018/19 to 2021/22.

This report provides an extract of the draft budget proposals under the remit of the Economy and Environment Overview and Scrutiny Committee for consideration.

Feedback from this Committee on the draft proposals will be reported back to Cabinet on 12 December 2018. This will inform the final draft budget to be considered by Cabinet on 13 February 2019 to be recommended to Council on 28 February 2019. Any changes to Cabinet's December draft revenue budget proposals as a result of equality impact assessments and consultation will be fed into the final budget report.

Reason for scrutiny:

To enable consultation of the draft budget proposals for services within the remit of this Committee, and for any feedback to be reported back to Cabinet on 12 December 2018.

Recommendations:

That:

1. The Committee consider the draft revenue budget and capital programme attached that relate to the remit of this committee.
2. The Committee are asked to note that consultation will be undertaken on all new 2019/20 policy savings shown in **appendix 3a**, and that feedback will be presented to Cabinet on 12 December 2018.

Background papers:

Various financial working papers.

Resource and legal considerations:

Cabinet on 24 October 2018 were presented with a list of proposed revenue savings and investments for consultation, and indicative revenue cash limits.

The full Cabinet report can be accessed on Walsall Council's CMIS Website.

Savings proposals

A number of the 2019/20 savings were part of the budget plan approved by Council in February 2018, the majority of which were operational (implemented through officer delegations). These are approved and are included within the cash limits at **appendix 1** - these savings total £1.12m for services within the remit of this committee.

There is a further £0.02m of policy savings requiring consultation (**appendix 3a** – those with a direct impact on services and which require an Executive decision to proceed) and £1.95m of new operational savings (**appendix 3b** – savings which officers have delegations to implement).

As a council, we anticipate a further £13.94m of savings required in 2020/21 and £7.56m in 2021/22. It is expected that the refreshed transformation programme (Walsall Proud Programme as reported to Cabinet on 24 October 2018) will incorporate an organisational wide programme of change activity, with the breadth and pace of this being such that this will contribute significantly to delivering the required savings in 2020/21 and 2021/22.

Investment / cost pressures

A number of investment / cost pressures have been identified and included in the draft budget proposals. Those relating to the remit of this Committee are shown as **Appendix 2**.

Capital Programme

Capital programme resources are limited. The financing for capital investment is heavily reliant on grants and other funding received from the Government, with the remaining flexibility through capital receipts and borrowing.

Despite the above difficulties, significant investment is planned and funded over the four years 2018/19 to 2021/22. The council is able to fund existing commitments and has, through prioritisation of bids and resources and sound treasury management, been able to support new investment into key services, and areas of capital investment need.

The capital programme is presented in two parts:

- Council funded programme - funded by the council's own resources, through borrowing, revenue contributions and receipts. **Appendix 5** summarises those schemes relating to the remit of this committee.
- Externally funded programme - funded from capital grants and third party contributions. **Appendix 6** summarises those schemes relating to the remit of this committee.

Council Corporate Plan Priorities:

In order to meet the council's purpose and vision, the council will be focussing its' energy over the next four years on the following key priorities, recognising that it must do so with decreased and decreasing resources and concentrating efforts on those most in need:

- **Economic growth** for all people, communities and businesses.
- **People** have increased independence, improved health and can positively contribute to their communities.
- **Internal Focus** – all council services are efficient and effective.
- **Children** have the best possible start and are safe from harm, happy, healthy and learning well.
- **Communities** are prospering and resilient with all housing needs met in safe and healthy places that build a strong sense of belonging and cohesion.

Citizen impact:

Details of potential impact are identified within the policy paper attached at **Appendix 4**.

Environmental impact:

The impact on the environment is considered in all savings proposals.

Performance management:

Financial performance is considered alongside service performance. Managers are required to deliver their services within budget and there are comprehensive arrangements in place to monitor and manage this.

Reducing inequalities:

Service managers have regard to equalities delivering services and identifying saving options. Equality impact assessments are being undertaken as required prior to final recommendations being made to Council on the budget, along with any mitigating actions. The majority of the Economy and Environment savings are based upon the review of needs and how that need is met within statutory requirements.

Consultation:

Consultation is an integral part of the corporate budget process and ongoing arrangements are in hand to consult with a wide range of stakeholders as appropriate (i.e. councillors, residents, service users, business sector, voluntary and community organisations, etc.). This is outlined in the budget report to Cabinet on 24 October 2018.

Feedback from consultation, including those from this committee, will be presented to Cabinet for their consideration. Any changes to the draft budget proposals, including arising from consultation, will be reported to a future meeting of the Committee.

Contact Officers:

Simon Neilson - Executive Director, Economy and Environment, ☎ 652004,

✉ Simon.Neilson@walsall.gov.uk

Kelly Valente –Acting Finance Business Partner, Economy and Environment,

☎ 650826, ✉ Kelly.Valente@walsall.gov.uk

A handwritten signature in blue ink, appearing to be 'SN', located below the contact information.

Simon Neilson
Executive Director
14 November 2018

APPENDIX 1

Indicative revenue cash limit for 2018/19 to 2021/22

The following table summarises the indicative cash limit for services within the remit of the Economy and Environment Overview and Scrutiny Committee.

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
Opening cash limit		39,985,023	39,633,390	37,757,928
Base budget adjustments including funding changes		165,000		
Investment / Pressures – see <i>Appendix 2</i>		2,567,865	314,954	(725,668)
Approved Savings				
Forest Arts – full year effect of 2018/19 saving		(185,000)		
New Art Gallery – full year effect of 2018/19 saving		(50,000)		
Energy saving from major street lighting invest to save (subject to a separate Cabinet report)		(450,000)		
Increase cost of parking permits by £1 a month		(6,000)		
Restructure of Traffic Management Team to deliver permit scheme		(25,000)		
Increase Crematoria fees further (6%)		(180,000)		
Registrars – full year effect of 2018/19 saving		(30,000)		
Cemeteries management restructure		(70,000)		
General efficiencies across Planning, Engineering and Transportation		(10,000)		
Introduce new Asset Management practices		(25,000)		
Reductions in services provided by Economy & Environment Directorate Support		(24,000)		
Operational efficiencies across Economy and Environment including management savings		(60,000)		
Review of investment portfolio			(500,000)	
Transformation work based on the ‘our assets’ theme reviewing council assets			(350,000)	
Less Policy Savings proposals for consultation – see <i>Appendix 3a</i>		(19,500)		
Less New Operational savings proposals – see <i>Appendix 3b</i>		(1,949,998)		
Less Provisional Savings requirement			(1,340,416)	(1,046,743)
Economy and Environment draft cash limit – scrutiny remit only	39,985,023	39,633,390	37,757,928	35,985,517

APPENDIX 2

Summary of Revenue Investments / Cost Pressures 2019/20 – 2020/21

Detail of investment / cost pressure	2019/20 £	2020/21 £	2021/22 £
Contractual inflation	227,949	233,560	239,313
Extension of economic growth programme (2 years)	1,000,000	0	(1,000,000)
Fall out of leasing recharge for extended vehicles	3,690	81,394	35,019
Domestic waste collection pressures	377,226	0	0
Unachieved savings – asset management expansion of council's investment portfolio – rolled forward to 2020/21	400,000	0	0
Unachieved savings – management efficiencies	100,000	0	0
Expansion of parking warden contract for 2 years	65,000	0	0
Street Cleansing – ongoing extra operative in Walsall Town Centre as approved by Cabinet 05/09/18	50,000	0	0
Voluntary sector coordinator post – ongoing impact as approved by Cabinet 05/09/18	34,000	0	0
Garden waste collections – reinstatement of 2 weekly garden waste collections from April 2019 as approved by Cabinet 05/09/18	160,000	0	0
Depot costs	150,000	0	0
Total Revenue Investments – scrutiny remit only	2,567,865	314,954	(725,668)

APPENDIX 3a

Policy Proposals 2019/20 for Consultation

Detail of Policy Saving / Efficiency	2019/20 £
Investigate the possibility of an alternative delivery mechanism for markets. This is part year effect and a further £19,500 will be realised in 2020/21. (see <i>Appendix 4 for policy paper</i>)	(19,500)
Total Policy Proposals – scrutiny remit only	(19,500)

APPENDIX 3b

New Operational Proposals 2019/20

Detail of Operational Saving / Efficiency	2019/20 £
Library service – review of operational costs across the service	(160,000)
District libraries review of staffing	(107,820)
Review of the W2R contract & tonnages / performance of HWRC contract	(700,000)
General efficiencies across the directorate	(78,178)
Fee review directorate wide	(5,000)
Resident parking permit increase	(5,000)
Funding from earmarked reserves to offset short term pressure of APCOA contract for 2019/20 and 2020/21 until contract is tendered.	(65,000)
Reduce scope of healthy lifestyle services	(395,000)
Traffic management - additional income	(25,000)
Introduction of a street and road works permit scheme	(25,000)
Staff related costs – travel	(1,500)
Asset management efficiencies / capitalisation of costs	(20,000)
Acting Living Centres – additional income	(362,500)
Total New Operational Savings – scrutiny remit only	(1,949,998)

PORTFOLIO: REGENERATION

SERVICE AREA AND DIRECTORATE: Economy and Environment – Clean and Green

Proposal: Investigate the possibility of an alternative delivery mechanism for the markets in Walsall, Willenhall and Bloxwich. This is a part year effect in 2019/20 and a further £19,500 will be realised in 2020/21.

1 **Financial Proposal**

	2019 / 2020	2020 / 2021
	£	£
Estimated Saving	(19,500)	(19,500)
Revenue Investment		
Net Saving	(19,500)	(19,500)
Capital investment		

2. **Description of the Proposal**

- There are a number of options whereby a budget saving could be made assuming that the 3 markets continue to operate. Whilst there is a proposed option for the new Walsall market operating from the Bridge/Park Street and Bradford Street, this is on hold pending the new Town Centre Masterplan. Consultants have been appointed and will be working on determining priorities for the Masterplan.
- Savings for 2019/20 will be delivered from operational savings centred around street cleaning and waste disposal. A full review of options for alternative service delivery models will take place between January and September 2019, with implementation from April 2020.
- Capital or revenue investment requirements will be determined by the review.

3. **Implications Associated With Proposal**

3.1 **Council Corporate Plan Priorities**

Economic Growth for all people, communities and businesses.

Our town and district centres offer a distinctive and vibrant mix of retail, leisure, business, community and cultural opportunities, and new housing.

Having a market contributes to helping local high streets. The market provides a focal point for communities, act as a boost to the local economy, and help generate pride and a sense of belonging.

3.2 Customers

The review will determine the value of markets within the community and their place in the Town Centre Master Plan, changes in the way people perceive town centres, shopping and the technological age with impacts such as internet shopping. Consideration being given to continental markets, indoor market provision, seasonal (Christmas) markets, reviewing frequencies, opening times, and social values.

3.3 Employees / Staffing

There is no impact for full time staff at this stage in the process.

The markets service currently employs 5 agency workers – 4 markets operatives and 1 markets officer. A restructure/redesign of the current markets team would be considered as part of the review in conjunction with Clean & Green operational services, reviewing synergies and crossover of activity within waste and street cleansing operations.

3.4 Partners

A market has been present in Walsall since the 1200's, although Walsall is not a market authority. Any review of the service would include the market traders, plus Bescot Market Promotions who currently support Willenhall market in the erection and dismantling of stalls.

3.5 Economic Implications

There are no economic implications currently identified with this proposal.

3.6 Environmental Implications

None arising from this report.

3.7 Health and wellbeing implications

None arising from this report.

3.8 Other Council Services

Consideration would be given to town centre street cleansing regimes within Clean & Green and potential opportunities/synergies across the services subject to any rationalisation of market cleansing, waste disposal and recycling.

3.9 Procurement / Social Value Implications

None currently arising from this report.

4. Legal Implications

None currently arising from this report.

5. **Consultation and Customer feedback**

Further consultation with stall holders and customers would need to be undertaken for the medium to long term depending on the future direction of the service.

6. **Reducing Inequalities Implications**

An equality impact assessment is likely to be required.

Draft Capital Programme 2019/20 to 2021/22
– Council Funded Schemes

Detail of investment / cost pressure	2019/20 £	2020/21 £	2021/22 £
<i>Rolling Programme Schemes</i>			
Memorial Safety in Walsall cemeteries - ensuring that the council complies with statutory obligations to provide a safe environment in its eight borough cemeteries	40,000	40,000	40,000
Highway Maintenance Programme – legal responsibility to maintain the highway network - £200k on reserve list in 2019/20 only	2,600,000	2,800,000	2,800,000
<i>Prior Year Approvals</i>			
Traffic Signals - Replacement of obsolete traffic signal control equipment – Prior year approval - the council has a statutory duty to maintain all its traffic signal infrastructure and this provides a programme of planned pedestrian crossing replacements to ensure the safe and efficient movement of pedestrians	0	200,000	200,000
Provision of community dropped crossings along footways to permit access for wheelchairs, pushchairs and mobility scooters	20,000	20,000	20,000
Promotion of Community Health and Safety	120,000	120,000	120,000
Walsall Town Centre Public Realm Improvements – contribution to NPIF external funding – provision for public realm / Markets on reserve list pending the outcome of the Town Centre Master Plan	229,500	0	0
Open water safety schemes - signage	2,000	5,000	2,000
Streetly Crematorium - Installation of air conditioning units and refurbishment of public toilets	215,351	0	0
M6 Junction 10 road improvements in partnership with Highways England (grant)	0	650,000	0
Walsall Arboretum Extension and Country Park – infrastructure improvements	0	190,000	0
<i>New Bids</i>			
New rail stations at Willenhall, Darlaston and Aldridge – local 10% contribution to match TfWM investment.	1,000,000	1,000,000	500,000
Yorks bridge – increased funding for construction of replacement bridge	0	0	750,000
A454 Black Country Route carriageway surface treatment to extend lifecycle by c 15 additional years – proposal to utilise chiplock preventative maintenance treatment.	450,000	0	0
Hatherton Road MSCP structural maintenance	200,000	0	0
Willenhall Lane Cemetery Extension / Development of land for burials – current capacity for full burials expected to be maximised by end 2020/21.	832,800	525,600	0
Town Centre Master Plan Development	250,000	0	0
Total Council Funded Programme for scrutiny remit	5,959,651	5,550,600	4,432,000

Funding for the redevelopment of Walsall Market / Walsall Town Centre Public Realm improvements will be considered pending the outcome of the town centre master plan

Draft Capital Programme 2019/20 to 2021/22
– External Funded Schemes

Detail of investment / cost pressure	2019/20 £	2020/21 £	2021/22 £
M6 Junction 10 road improvements in partnership with Highways England (grant)	14,270,000	0	0
LTP Highway Maintenance Programme – distributed by the Integrated Transport Authority to maintain our highways network (grant)	1,943,000	1,943,000	1,943,000
West Midlands Strategic Transport Plan (STP) ‘Movement for Growth’ –to address road safety issues, progress the Council’s major scheme aspirations, and resource local contribution to approved major schemes.	1,279,000	1,279,000	1,279,000
Growth Deal - The Growth Deal will create the skills, connections and locations for further high value manufacturing success and support growth in the Black Country’s automotive, aerospace and construction sectors (grant)	19,044,119	32,948,081	0
National Productivity Investment Fund Programme for junction and cycling improvements (grant) with additional local contribution of £459k in 2018/19 and 2019/20 (50% from Strategic Transport Plan and 50% from council Public Realm funding).	2,601,500	0	0
Total External Funded Programme for scrutiny remit	39,137,619	36,170,081	3,222,000