Cabinet – 14 December 2011

Draft Revenue and Capital Budget Proposals 2012/13 for consultation, and Corporate Financial Performance for 2011/12

Portfolio: Councillor Towe – Finance and Personnel

Service: Finance – council wide

Wards: All

Key decision: No

Forward plan: No

1. Summary

1.1 This report presents the predicted revenue forecast for 2011/12, which is an underspend of £0.156m based on the financial position to the end of October. All savings approved by Council on 24 February 2011 are anticipated to be achieved, with mitigating action in place to cover the delayed implementation of some savings.

1.2 The report contains the third draft budget report and outlines changes from the first draft budget reported to Cabinet on 14 September 2011, and subsequent amendments in the second draft budget report to Cabinet on 9 November 2011.

1.3 The report also contains detail on an additional savings proposal which requires an executive decision to implement. (Further to those reported to Cabinet on 9 November 2011).

1.4 This report presents the second draft capital programme for 2012/13 totalling £39.991m for consultation. It sets out new capital investment funded from the council's own resources of £11.586m (funded by capital receipts and unsupported borrowing) and externally funded schemes of £28.405m (funded by capital grants) and represents a balanced programme for 2012/13. The draft leasing programme totals £4.441m of new capital expenditure in 2012/13. In addition, the report sets out a further three years of proposals for 2013/14 to 2015/16.

1.5 Despite reductions in capital funding in recent years and going forward, the draft capital programme contains some significant investment to assist in the Working Smarter Programme, and significant investment into highways, education, and into adult social care and housing to support vulnerable households through Health through Warmth and provision of aids and adaptations. A reserve list of new projects is also reported, where funding could be redirected in year if available.

1.6 These draft budget proposals will be distributed to scrutiny panels and stakeholders for consultation as part of the budget setting process. The final budget, including any changes arising from consultation arrangements, and final

allocation of formula grant, will be presented to Cabinet on 8 February 2012 for recommendation to Council, and will be considered by full Council on 23 February 2012.

2. Recommendations

2.1 That Cabinet note and approve the projected net revenue underspend of £0.156m for 2011/12, and the progress made on the deliverability of 2011/12 approved savings, including the alternative mitigating actions as set out in section 3.1.

2.2 That Cabinet approve as a basis for consultation the current draft capital programme of £39.991m for 2012/13, and an indicative capital programme of £28.030m for 2013/14, £26.329m for 2014/15 and £22.877m for 2014/15.

2.3 That following formal approval of the programme in February by Council, Cabinet delegate responsibility to the Chief Financial Officer, in consultation with the Capital Strategy Board, to designate resources to projects off the capital reserve list should resources become available in year.

2.4 That Cabinet refer this report to all scrutiny and performance panels for consultation, to enable their comments to be considered by Cabinet prior to Cabinet meeting on 8 February 2012 to make its final recommendations to full Council.

3. Report detail

Corporate Financial Performance for 2011/12

3.1 The predicted year end position for 2011/12 is currently an underspend of £156k (based on the position at the end of October 2011). This forecast is based on known pressures and key high risks identified by services. This will continue to be managed in year, with the requirement for services to fund any predicted overspends by alternate mitigating action. All approved savings are anticipated to be achieved with mitigating action in place to cover the delayed implementation of some savings in year. Four of these required an executive decision to implement. Alternative savings are in place for the part year effect and all savings will be fully implemented in 2012/13. The four are:

- Realignment of the assessment and care management service and redesign of provider services – delay in finalising and implementing the restructure within mental health service, funded from vacancy management across the directorate.
- Establish the level of entitlement and review thresholds for clients in Social Care – delay in capturing savings on the introduction of the entitlements policy, funded from vacancy management across the directorate.
- Review of charging areas within Social Care and introduction of benefits based charging system – delay in finalising details of clients in receipt of service, funded by projected savings in other areas of the directorate.
- Children's review of essential car user allowances – dependent on the outcome of the council review of the policy, funded from savings with the youth service restructure.

Treatment of Windfall income

3.2 A windfall occurs when one-off unplanned additional income is received or there is an overachievement of budgeted savings. This income is expected to be centrally pooled for the corporate good. This recognises that Cabinet should prioritise any additional resources over and above those approved annually as part of the budget process, as opposed to services making the decision as to how to spend this.

The centrally provision is reported to Cabinet as part of the corporate financial performance reports in-year. To date, just under £1.5m of windfall income has been pooled and reported as transferred to earmarked reserves. Calls on windfall income are as follows:

- Replenishment of general reserves, should general reserves be below the minimum level at year end,
- Replenishment of earmarked reserves, such as the project reserve for supporting capital projects, at year end,
- Cabinet approvals to vire income to support priorities in year and/ or requests by services for use of surplus income, which will be considered using the councils existing carry forward protocol. Both are subject to the council wide outturn being within budget and formal member approval.

Draft Revenue Budget 2012/13 onwards

3.3 The draft revenue and capital budget proposals were reported to Cabinet on 14 September 2011 as part of each portfolio plan, with minor amendments reported to Cabinet on 9 November 2011. The budget is an evolving process, with recognition that proposals may change during consultation and prior to formal recommendation to full Council on 23 February 2012. We are still awaiting publication of the draft settlement for 2012/13.

3.4 The table overleaf summarises changes to the proposed revenue savings options and revenue investment previously reported to Cabinet on 14 September 2011:-

Table 1 : Changes to proposed revenue savings options and investment 2012/13	
	£m
Portfolio: Regeneration	
Investment – Joint european support for sustainable investment in city areas - contribution by each Black Country authority to this sustainable urban development scheme	0.017
Portfolio: Leisure & Culture	
Catering – working smarter	0.079
Revised saving : from efficiency savings including the deletion of a vacant post and general review of income *	(0.079)
Portfolio: Transport and Environment	
Reduce 24 hour temporary repairs requirement to 28 days response in accordance with national guidelines	0.020
Revised saving : As above amended to a 5 day response	(0.020)
Portfolio: Finance and Personnel	
Benefits – Enhanced use of telephone systems to improve service delivery rather than requiring staff visits - remove	0.031
Revised saving : Additional general efficiencies across the service	(0.031)
Revenues – merge benefit and council tax bill into same envelope when issued to customer - remove	0.010
Revised saving: Additional savings from the Revenues restructure programme	(0.010)
Central contribution for the Regeneration investment scheme as above	(0.017)
Net change to Proposals	**0.000**

*As a result of this change, the previous policy paper as reported to Cabinet on 9 November 2011 will need reviewing and updating for further consideration by Cabinet.

3.5 There are a number of proposed saving options that will require an executive decision to implement. Four were reported to Cabinet on 9 November, with a further one summarised in **table 2** below (more information in support at **Appendix 1)**:-

Table 2 : Further proposed savings requiring an Executive Decision	
	2012/13
	£m
Engineering & Transport – Reduce 24 hour temporary repairs requirement to 5 days response in accordance with national guidelines **(Appendix 1)**	(0.020)

Draft Capital Programme 2012/13 onwards

3.6 Capital programme resources are limited. The financing for capital expenditure on new investments is heavily reliant on grants and other funding received from the Government. The Government is clearly, in the medium term, planning to significantly reduce government financed capital spending. Forecasts for 2013/14 suggest that proposed spending for that year will be half the current level.

3.7 The success that Walsall has had in securing a wide range of external funding will be harder to achieve as many of the sources of funding will soon stop or at best be significantly reduced. Whilst Walsall is relatively well placed to capitalise

on new capital opportunities e.g. the Regional Growth Fund, the reality is that external funding will be significantly reduced. Furthermore the basis on which funding is provided could change away from direct grant to, for example, loans and equity shares some of which will carry potentially added risk.

3.8 The remaining flexibility is currently through capital receipts and unsupported borrowing. Capital receipts projections however are limited, and fully dependent on when council assets are sold. Earmarking of capital receipts beyond what we are statutorily obliged to do is not recommended without overall strategic consideration of the entire capital programme. Use of unsupported borrowing incurs ongoing revenue debt charges and impacts on council tax payers.

3.9 Capital allocations and grants from Government and other sources have not yet been provided, therefore best estimates have been used, based on published information to date. Any further reduction in funding will require amendments to the draft programme.

3.10 Despite the above difficulties, significant investment is planned and funded over the three year 2012/13 to 2015/16 and the draft capital programme is balanced. The council is able to fund all existing commitments and has, through prioritisation of bids and resources and sound treasury management, been able to support new investment into key services, and areas of capital investment need.

3.11 The capital programme is presented in three parts:

- Mainstream programme - funded by the council's own resources, through capital borrowing and receipts.
- Externally funded programme - funded from capital grants and contributions.
- Leasing Programme – funded from revenue

3.12 **Table 3** shows the draft capital programme, with adjusted resources, and proposed changes from the first draft reported to Cabinet on 14 September 2011. The full draft capital programme is shown in **Appendices 2 to 5.**

Table 3 : Draft Capital Programme 2012/13 to 2015/16					
	2011/12 £m	**2012/13 £m**	**2013/14 £m**	**2014/15 £m**	**2015/16 £m**
Anticipated Capital Resources					
Capital Receipts	1.500	2.500	1.500	1.500	1.500
General Unsupported Borrowing	8.971	7.223	7.812	5.790	5.681
Specific Unsupported Borrowing	0.000	0.647	0.733	0.730	0.730
Previous years underspend	0.950	1.216*	0.000	0.000	0.000
External Funding	44.027	28.405	17.985	18.309	14.966
Total Capital Resources	**55.448**	**39.991**	**28.030**	**26.329**	**22.877**
Allocations					
As reported to Cabinet on 14 September 2011	55.448	35.362	23.634	23.384	23.384
Changes identified					
Surplus ICT allocation 2012/13	0.000	(0.019)	0.000	(1.080)	(1.080)
Preventative adaptations	0.000	(0.161)	(0.247)	(0.232)	(0.232)
Adjustment to Disaster recovery	0.000	(0.079)	(0.082)	0.000	0.000
Small ICT allocation to remove and fund in year	0.000	(0.010)	(0.004)	(0.001)	(0.001)
New external funding allocations					
Walsall Arboretum restoration – Illuminated park proposals	0.000	0.100	0.000	0.000	0.000
Heritage centre for Walsall	0.000	0.000	0.315	0.889	0.296
Black Country property investment programme	0.000	2.250	3.000	2.750	0.000
Review of existing schemes					
Amendment to headstone safety in cemeteries	(0.000)	(0.020)	(0.020)	(0.020)	(0.020)
Increase in greenspaces improvement plan	0.000	0.100	0.000	0.000	0.000
Amendment to upgrades to Windows (ICT)	0.000	(0.161)	(0.239)	0.000	0.000
Funding of New Bids (Appendix 3)	**0.000**	**2.629**	**1.673**	**0.639**	**0.530**
Total Capital Programme	**55.448**	**39.991**	**28.030**	**26.329**	**22.877**

*Estimated based on forecast as at 31 September 2011

3.13 Through the anticipated generation of additional capital receipts in 2012/13, it is predicted that the prioritised new bids contained in Appendix 3 can be funded. A further review of proposed schemes will be required before capital allocations are released in year. For 2013/14 onwards, the full impact of these projects will be reviewed, and funding revisited as part of the ongoing budget process.

3.14 Capital receipts projections are based on professional estimates of property colleagues. Any additional receipts received in year (excluding those earmarked for Smarter Workplaces and Bentley Community Facility) will be considered to fund projects identified on the reserve list at **Appendix 4**.

3.15 General unsupported borrowing relates to additional borrowing which is funded from the council's own resources – generated through savings, and/or paid for via the council tax. Council's are allowed to borrow in accordance with the Treasury Management Code of Practice. The current capital financing cash limit

is forecast to be able to support £7.870m of additional unsupported borrowing to fund high priority items in 2012/13.

3.16 Schemes are recommended to go ahead as they represent council priorities, for a number of reasons:

- Corporate commitments - annual commitments that must be in the capital programme i.e. for infrastructure projects, though the amounts may be varied.
- Prior year approvals - projects that have started or received prior Cabinet approval and funding in 2012/13 is required for their completion.
- Schemes that are unavoidable to meet statutory and legislative requirements in the provision of services. It includes items such as health and safety, new legislation etc.
- Schemes that unlock external investment in the borough; drives out long term revenue savings; support the strengthening of the borough's economy; delivers an efficient and effective operational estate linked to the asset management 2010 programme; and invests in assets to grow future income streams for the council.
- Capital insurance reserves: to protect the council's position, for which funding is available should the need arise to draw it down.
- Priority schemes for which external funding can be drawn down and which may or may not require a contribution from the councils own resources.

3.17 Whilst the overall demand for resources usually exceeds those available, schemes deemed to be a high priority in terms of reflecting the council's priorities can be funded, representing a balanced programme for the next four years.

Leasing programme 2012/13 onwards

3.18 Leasing minimises the call on capital resources by spreading the acquisition cost over some years. Revenue funds are needed to finance operating leases. The 2012/13 leasing programme is analysed in **Appendix 6**. The revenue implications of the leasing programme of £2.672m (new starts of £0.891m + £1.781m of existing leases) for 2012/13 are included in the draft revenue budget.

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

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

4. Council priorities

4.1 The budget process follows council priorities, including the agreement to use a value for money strategy to drive through savings proposals linked to working smarter and service redesign.

5. Risk management

5.1 Managers are required to deliver service and improvement targets on time, to standard and within budget.

5.2 The budget process is governed by the overarching medium term financial strategy and will be delivered within the working smarter Programme approved by Cabinet. Risk management is an integral part of this activity and is embedded in budget preparation, monitoring and forecasting to enable potential budget variances and risks to be identified early and addressed.

6. Financial implications

6.1 The council must set a balanced budget to meet its legal requirements as set out under legal implications.

7. Legal implications

7.1 Under the Local Government Act, an authority must set a council tax and balanced budget, giving 14 days notice of the council tax level prior to the date of billing. Walsall bills from the 1st April of each year, therefore must sets its council tax by 15 March in order to meet this statutory deadline.

8. Property implications

8.1 There are no direct implications from this report, although property implications will arise as the smarter workplaces strand of the working smarter programme is developed.

9. Staffing implications

9.1 There will be some staffing implications arising from this report, and consultation with employees and unions will be undertaken in accordance with required procedures.

10. Equality implications

10.1 None directly associated with this report. An equality impact assessment is undertaken on all proposed revenue savings (specifically on those requiring policy changes), and on all capital schemes.

11. Consultation

11.1 The report is prepared in consultation with the Chief Finance Officer, relevant managers and directors.

11.2 Consultation is an integral part of the budget process and arrangements are in hand to consult with a wide range of stakeholders (i.e.: councillors, residents, service users, business sector, voluntary and community organisations, etc.).

Background papers: Various financial working papers.

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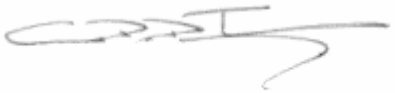

James Walsh
Assistant Director – Finance (CFO)

06 December 2011

Councillor Towe
Portfolio holder – Finance & Personnel

06 December 2011

Appendices: -

1 Savings requiring policy decisions :-
Reduce 24 hour temporary repairs requirement to 5 days response in accordance with national guidelines
2 Draft Capital Programme 2012/13 – 2015/16 – Mainstream Prior Year Approvals
3 Draft Capital Programme 2012/13 – 2015/16 – Mainstream New Bids
4 Draft Capital Programme 2012/13 – 2015/16 – Reserve List
5 Draft Capital Programme 2012/13 – 2015/16 – Non-Mainstream
6 Draft Leasing Programme

APPENDIX 1

PORTFOLIO: TRANSPORT AND ENVIRONMENT

Saving: Reduce 24 hour temporary repairs requirement to 5 days response in accordance with national guidelines

Estimate Net Saving			
2012 / 2013	**2013 / 2014**	**2014 / 2015**	**Implementation cost**
£20,000	£20,000	£20,000	£0

1. **Description of the Savings Proposal**

1.1 A proposal to change the council policy of repairing a category of highway defects. This category, which currently has a 24 hour response time for making a temporary repair, will be changed to a response time of 5 working days to permit a permanent repair to be achieved. This ensures that a better and longer lasting repair can be achieved for the benefit of the public. As the repair work can be planned and carried out more effectively this is expected to operational savings of £20,000.

1.2 The national guidelines have a number of timescales for repair of defects dependent on a number of criteria such as location and severity. They vary from 1 hour to six months. The council adopted to repair some potholes that are greater than 40mm deep on the road and 25mm deep on the footpath in 24 hours. This can be problematic as the contractor has to adopt a reactive approach which is less effective than a planned approach and although the ideal solution is a permanent repair often only temporary repairs can be achieved. If the approach is changed to 5 working days repair the contractor will be able to plan the work, carry out permanent repairs, unless in traffic sensitive locations, and hence be more efficient and less costly.

1.3 This proposal does not affect the 24 hour emergency service whereby 'life and limb' incidents will still be made safe in 1 hour, such as missing manhole covers or gulley grids.

2. **Implications Associated With Savings Proposal**

2.1 **Customers**

Some individual potholes will be in the highway for a longer period, possibly 5 days as opposed to 24 hours, therefore there is an increased risk that users of the highway will sustain damage to their person or vehicle. However over the longer term due to the increase in usage of permanent repairs rather than temporary there is the potential that the period of risk could reduce by as much as 50% as the failure rate of repairs will be significantly reduced.

2.2 **Employees**

None.

2.3 **Partners**

Tarmac will be able to provide a better service at a slightly reduced cost as they will be able to plan the repairs more effectively.

2.4 **Corporate Plan/Priorities**
None.

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2.5 **Other Council Services**
None.

3. **Associated Risks**

3.1 The council is liable for third party claims should a pothole cause personnel or vehicle damage and exceeds the set criteria. Routine inspections, generally on a six month cycle, record potholes and those that exceed the criteria are ordered to be repaired in 24 hours. The problem arises because there are now a significant number of potholes and the logistics of planning are lost and the contractor is merely using a reactive approach. Consequently not all are completed on time or at an economical cost. The change of priority to a 5 working day repair will lead to a better service at a reduced cost.

4. **Consultation**

4.1 Consultation has taken place with the council's Risk and Insurance officers, the council's insurer's, Zurich, and legal advisers, Browne Jacobsen, who have all confirmed agreement in principle.

5. **Legal Implication**

5.1 The proposal conforms to national and statutory guidance.

6. **Equal Opportunities and Environmental Implications**

6.1 Increased permanent repairs in a planned method will reduce the miles travelled by the construction traffic with the consequent reduction in environmental pollution.

7. **Equality Impact Assessment**

7.1 The improved condition of the highway network permits better use by all sectors of the community.

Draft Capital Programme 2012/13 to 2015/16 - Mainstream (Prior Year approvals)

PORTFOLIO	PROJECT	2010/11 * £	2011/12 * £	2012/13 £	2013/14 £	2014/15 £	2015/16 £	DETAILS OF PROJECT
PRIOR YEAR APPROVALS : CORPORATE COMMITMENTS / STATUTORY / HEALTH & SAFETY								
Business Support Services	Council wide IT planned rolling replacement and upgrade	0	100,000	100,000	0	0	0	**Centralised storage of workstation C: drive data.** To expand the current corporate network file store. This helps reduce the risk of loss of information and allows staff to access information from the office and in the field. It will reduce the impact of lost information and enable a more mobile workforce, spending more time with customers.
		0	140,000	98,000	0	0	0	**Disaster recovery - second data centre.** The council currently operates all centralised IT systems from a single data centre. Opportunities exist to partner with another local authority to share data hosting facilities and provide the foundation for disaster recovery. The bid is to ensure the infrastructure is in place to handle a recovery. In addition there would be ongoing annual unbudgeted revenue costs of £12k (£15k in year 1) relating to infrastructure maintenance. This reduces the impact of major incidents, allowing communication to continue and reducing the amount of services outages to the website, the blackberry service and other key areas.
		0	500,000	150,000	50,000	0	0	**Telephony consolidation.** The council currently maintains two main telephone systems which introduces unnecessary costs and requires IT support staff to be skilled in both systems. There are opportunities for business efficiencies with the Cisco IP system. Revenue costs of £15k in year 1. There are a number of issues created by having 2 telephony systems which can and do lead to customers being unable to contact us. The costs of supporting 2 systems are also avoidable.
		0	157,500	581,175	705,700	0	0	**Upgrade to Windows 7.** All Microsoft support for Windows XP will cease by April 2014. The current equipment would be refreshed over a short period and reduce the risk of equipment failure. All computer users in the council need to have systems that are in support to prevent unneccesary and prolonged down time or outages.
Leisure & Culture	Headstone safety in Cemeteries	100,000	100,000	80,000	80,000	80,000	80,000	The Health and Safety Executive requires all burial authorities to control the risk associated with the operation or their cemeteries, including risks from unsafe memorials. This project has provided funding for continual safety work on memorials since 2005/06. Because of the investment made over the past 6 years, the level of risk has reduced to the extent that the annual investment can now be reduced to £80,000. Investment at this lower level will be necessary to adequately control the risk involved and safeguard the safety of cemetery users as well as Council employees. Annual risk assessments will be carried out to inform the required investment levels in subsequent years.
Regeneration	Shop maintenance	120,000	120,000	120,000	120,000	120,000	120,000	Ongoing maintenance requirement and council obligation to tenants in the councils commercial shops estate. Works can include repairs, leaking roofs, electrical repairs etc as defined under the lease agreement. This enables the councils tenant customers to maintain their business operations. This is self funded from revenue rent income.
Regeneration	Aids and adaptations	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	To maintain independence for disabled clients in their own homes by providing relevant equipment and adaptations to property. In addition to this, Disabled Facilities Grant is received. Directly assists over 1,100 households with vulnerable disabled residents (meets the statutory DFG need, reduces excess seasonal deaths, minimises slips trips and falls, enables people to stay living safer and longer in their homes).

PORTFOLIO	PROJECT	2010/11 * £	2011/12 * £	2012/13 £	2013/14 £	2014/15 £	2015/16 £	DETAILS OF PROJECT
Regeneration	General reactive/planned property maintenance	500,000	500,000	450,000	500,000	500,000	500,000	To address health and safety items in connection with the council's building portfolio as they occur to enable properties to remain operational. Due to the small budget, this covers items identified on the planned list but waits until very close to failure for works to be undertaken. In the last 18 months this has included: Allen centre roof, EDC window replacement (H&S issue), Stroud avenue family centre door replacement (H&S issue), Manor farm skylights (H&S issue) Ensuring that Council services to customers can be maintained where services are delivered from buildings.
Regeneration	Demolition of redundant buildings to save on rates	200,000	200,000	200,000	200,000	200,000	200,000	Demolition works to redundant council buildings to enhance marketing opportunities for sites and mitigate financial health and safety risks. This removes buildings from a locality which can be a security issue for local residents. It also mitigates revenue costs for the Council and its customers.
Regeneration	Fire risk assessment	0	200,000	200,000	200,000	200,000	200,000	Works following surveys to ensure the council's non-education buildings comply with fire legislation, identified within the Level 2 Fire RA carried out by SHAW/Fire Service in all council owned premises. Based on a rolling programme managed by the SHAW/Fire Service based on risk rating, (Higher risk more frequent inspections) for all building including public facing. Ensuing that customers using Council buildings can do so in a fire safe environment.
SUB TOTAL CORPORATE COMMITMENTS / STATUTORY		**2,420,000**	**3,517,500**	**3,479,175**	**3,355,700**	**2,600,000**	**2,600,000**	
PRIOR YEAR APPROVALS : BUSINESS CRITICAL / INVEST TO SAVE / DELIVERY OUTCOMES								
Business Support Services	IT support to Smarter Workplaces programme	0	100,000	150,000	250,000	0	0	**Hardware and software licences and infrastructure for the web.** To include new technology as part of smarter workplaces.
		0	200,000	250,000	0	0	0	**Electronic document management system**. Council wide investment which will result in savings from staff time, accommodation and storage and improve productivity. Includes central storage upgrade and maintenance, back up, restore and disaster recovery
Social Care & Health	Supporting independent living - part of the transformation of social care	0	226,200	236,200	236,200	251,200	251,200	To enable 120 residents to live independently by providing a range of adaptations at their homes and enabling them to better use the facilities in the community. Private care home places could be decommissioned both in and out of the borough. This would result in a reduction in cost which is not yet included in savings. However it is estimated that the savings could be in the region of £5m over 10 years based on a cost of care reduction of 20%
Social Care & Health	Preventative adaptations - part of the transformation of social care	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	To provide adaptations to vulnerable residents who do not meet the current criteria for statutory disabled facilities grant/aids and adaptations. There is currently a waiting list of over 1000 disabled residents and over 3 years this funding would deliver adaptations to 335 that will improve the quality of life.
Transport & Environment	Hatherton multi storey car park - safeguarding income	200,000	0	200,000	0	0	0	£200k was allocated in 2010/11 for the structural repairs to the car park. Further modifications will be needed to meet suitable standards particularly with the associated Tesco development. The council needs to continue to deliver parking facilities that support the local economy and meet public expectations

PORTFOLIO	PROJECT	2010/11 * £	2011/12 * £	2012/13 £	2013/14 £	2014/15 £	2015/16 £	DETAILS OF PROJECT
Regeneration	Health through warmth and related Retro Fit schemes	0	500,000	1,000,000	1,000,000	1,000,000	1,000,000	To provide energy and fuel saving advice and energy efficient heating and insulation works to private homes. There is a grant for this but demand outweighs resources. Over 2200 referrals have been received to date and £1m would deliver health through warmth to at least 335. Directly assists over 2,000 households with vulnerable residents (reduces excess seasonal deaths, reduces fuel poverty, minimises impact of illnesses made worse by cold and damp conditions (COPD, cancer etc), enables people to stay living safer and longer in their homes). It is expected that this funding will attract external contributions of £1.1m from British Gas, and £0.125m from Scottish Power in 2011/12.
Transport & Environment	Highways maintenance	950,000	950,000	1,200,000	1,200,000	1,200,000	1,200,000	This project is to safeguard progress already made in the condition of Walsall's classified highway network and maintain service levels.
Leisure & Culture	Greenspace improvement plan	0	50,000	150,000	50,000	50,000	50,000	The £150k investment will be matched and pump prime £350k of external funding to provide a £500k 3 year programme of investment in Walsall's parks. External funding providers have indicated their support in principle. This includes improvements to Doe Bank Park.
Regeneration	Refurbishment of the Leckie building located in Walsall arboretum (St Matthews ward)	0	190,000	10,000	0	0	0	The work is required to enable the outcome of the lottery project at the Arboretum to be achieved. Lottery will not fund the refurbishment but it is a requirement of the arboretum funding that the work is done. The building is in the arboretum conservation area and the park itself is grade 2 listed. Once refurbished the building could be put to much wider use and other options are being considered e.g. wedding ceremonies
SUB TOTAL - BUSINESS CRITICAL / INVEST TO SAVE		**1,150,000**	**3,216,200**	**4,196,200**	**3,736,200**	**3,501,200**	**3,501,200**	
PRIOR YEAR APPROVALS : CAPITAL INSURANCE RESERVE								
Finance & Personnel	Risk management	100,000	100,000	100,000	100,000	100,000	100,000	The funding is utilised where risk assessments have been undertaken or where events dictate that immediate action be taken to manage risks e.g. insurer intervention, regulatory reform. This assists in preventing future losses, reduced premiums and results in less call on the uninsured property damage allocation and therefore has a benefit of less call on councils resources overall, including council tax payers.
Finance & Personnel	Uninsured property damage	200,000	200,000	200,000	200,000	200,000	200,000	The council self insures its assets and is responsible for the first £250k of each claim. Expenditure is only incurred where the council has suffered loss or damage to its property in accordance with the terms and conditions of the insurance policy. Due to the nature of the work, and there being no way of knowing when an accident is likely to occur, there is no strict start date or duration for this allocation, although it is prudent to reserve in the likelihood of an incident occuring. The policy covers fire, lightning, explosion, aircraft, riot, civil commotion and terrorism. By maintaining a small budget every year for this, it has the effect of reducing the overall cost of insurance to councils, schools and therefore Walsall taxpayers.
Regeneration	Asbestos removal	155,000	155,000	155,000	155,000	155,000	155,000	Programme of asbestos removal in council buildings. The council is required by legislation to manage asbestos in its properties and this requires the removal in some areas. Asbestos has to be identified and removed before construction works can commence. This covers a programme of 5 yearly surveys and the removal of asbestos which is found to be in poor condition. Also covers asbestos removal where identified in maintenance works on Council owned premises, including demolitions. Ensuring that customers are not put at risk by asbestos.

PORTFOLIO	PROJECT	2010/11 * £	2011/12 * £	2012/13 £	2013/14 £	2014/15 £	2015/16 £	DETAILS OF PROJECT
Regeneration	Control of legionella	275,000	275,000	275,000	275,000	275,000	275,000	The council has a statutory duty to manage and control legionella within its buildings. This covers a programme of 3 yearly risk assessments, any remedial works identified with the RA, yearly chlorination and 6 monthly sampling of all Council owned properties. All properties inspected 3yrs for Hot and Cold water systems and Air conditioning. - All non schools buildings. Ensuring that customers are not put at risk by legionella.
Regeneration	Work resulting from the statutory testing of building services	300,000	300,000	300,000	300,000	300,000	300,000	Legislative requirement to undertake electrical testing and carry out resulting works. There is a programme of 5 yearly fixed wire testing, any remedial works identified from the fixed wire testing, annual emergency lighting testing and remedials, annual fire alarm testing and remedials, annual gas appliance/boiler servicing and remedials, annual lighting conductor testing and remedials, annual portable appliance testing as required by the Council's safety management standards, and inspections and remedials within all council owned premises. Ensuring that customers are not put at risk by electrical infrastructure or equipment.
Transport & Environment	Lighting invest to save initiatives	0	250,000	250,000	250,000	250,000	250,000	Various initiatives to reduce energy consumption and maintenance costs of the lighting service. Savings from reduction in energy consumption and maintenance costs will be confirmed when trials have been completed.
SUB TOTAL - CAPITAL INSURANCE RESERVE		**1,030,000**	**1,280,000**	**1,280,000**	**1,280,000**	**1,280,000**	**1,280,000**	
TOTAL SCHEMES - PRIOR YEAR APPROVALS		**4,600,000**	**8,013,700**	**8,955,375**	**8,371,900**	**7,381,200**	**7,381,200**	

* 2010/11 and 2011/12 allocations shown for comparative purposes only.

Draft Capital Programme 2012/13 to 2015/16 - Mainstream (New Capital bids for consideration)

PORTFOLIO	SERVICE AREA	PROJECT	2012/13 £	2013/14 £	2014/15 £	2015/16 £	DETAILS OF PROJECT & CUSTOMER BENEFIT
Children's Services	Specialist Services; Placements and resources service	Contact services	925,000	0	0	0	To refurbish Stroud Avenue Family Centre to increase the number of rooms available for Looked After Children to have good quality and meaningful contact with their families and significant others in order to accelerate care planning for those children to achieve return or alternate permanent placements. To bring the environment up to the standard which is fit for purpose and which can appropriately and consistently meet the contact needs of Looked After children and young people. **Options**: a) Close Dale Street and re-provide at Stroud Avenue. Capital receipt circa £400k; b) Reprovide facility at a new Bentley Community Facility (see separate bid). Additional capital receipt for Stroud Avenue site could be used to part fund this project. Estimates are in the region of £400k-£450k, although a further £250k is possib
		Capital Receipt	**-400,000**	**0**	**0**	**0**	Earmarked receipt from sale of Dale Street (subject to Cabinet approval), likely to be received 2013/14
Children's Services	Specialist Services	IT investment in mobile working (up to 100 laptops)	79,000	0	0	0	To facilitate flexible working for social workers to increase face to face time with children and families thereby increasing likelihood of positive intervention to enable children's needs to be met more swiftly. This will involve purchase of up to 100 laptops to trial flexible working where it can support our strategy of ensuring children's needs are met swiftly through early help. These laptops are the same as those currently used in adult social care and offer a completely secure and mobile solution. Laptops will be purchased on a pilot basis. if the pilot does not identify substantial benefits to children and cost savings the laptops could be redeployed throughout the council - in adult services or potentially provide an IT solution to staff who may TUPE as part of the education transfer.

PORTFOLIO	SERVICE AREA	PROJECT	2012/13 £	2013/14 £	2014/15 £	2015/16 £	DETAILS OF PROJECT & CUSTOMER BENEFIT
Regeneration	Development and delivery	Regenerating Walsall	380,000	500,000	500,000	500,000	A key focus for the council is to create the environment to attract new investment into the Borough, with the resulting benefits of new employment opportunities for local people; procurement opportunities for local companies and increasing the number and range of new homes for Walsall people. This project focusses on the key regeneration priorites of Goscote Corridor housing led regeneration; Darlaston Enterprise Zone; District Centres development; Development of key Employment Corridors e.g. Redhouse; Green Lane; Walsall Gigaport; Walsall Waterfront and St Mathews Quarter. Capital funding will be used to essentially de-risk projects for the private sector to improve the likelihood of investment. This may involve packaging key and disparate sites into single public ownership to improve their market attractiveness; undertaking site investigations, obtaining outline planning consent, and undertaking reclamation and / or demolition work. Similarly, the programme will also support the capital receipts programme by preparing council owned sites for sale. The funding may also be used to enhance the physical and business environment in to
Regeneration	Property Services	Improving the customer experience when visiting the Council House - includes front of house facilities	330,000	700,000	0	0	This project will include the remodelling of parts of the ground floor of the Town Hall, to improve the initial customer experience; to enhance security for customers and staff; to enable more public use of the town hall complex which in turn may increase income. Specific elements include re-modelled customer reception; refurbishment of toilets, potential refurbishment of refreshment facilities for better service to the Council House and Town Hall. This will build on a first phase of urgent repairs to this grade 2 listed building which are currently being progressed.
Regeneration	Property Services	Enabling works to office development (Gigaport)	650,000	0	0	0	A key focus for the Council is creating the environment to enable new and exisitng businesses to create employment opportunities for Walsall people. This project involves the undertaking of external enabling works i.e. site infrastructure; site drainage etc on a Council owned development site (the Noirit site)in Walsall Gigaport, to facilitate the development of a phased office development in response to the requirements of known potential occupiers, which include a growing Walsall based company in a key growth sector looking to establish a new corporate HQ and company looking to develop a scheme targeted at accomodating a large number of SME's, which supports the need to support business start ups.

PORTFOLIO	SERVICE AREA	PROJECT	2012/13 £	2013/14 £	2014/15 £	2015/16 £	DETAILS OF PROJECT & CUSTOMER BENEFIT
Leisure and Culture	Libraries, Heritage and Arts	**New Bentley Community Facility -** *There is an accepted design for this building at an estimated cost of £2m chosen by the local community.*	240,000	1,132,500	377,500	0	To construct a new community facility for Bentley in part to replace the library closed in 2006 - initial costs for design and planning. Construction in 2013/14 - 2014/15. Provision of this facility would provide local access to a range of services currently unavailable in the area. This would enhance the quality of life for local residents within an area of social deprivation through access to learning and other opportunities consistent with the Council's corporate priorities.
		Capital Receipt	**-240,000**	**-1,132,500**	**-377,500**	**0**	Earmarked receipt from sale of 5 Bentley SRF sites as agreed by Cabinet in April 2007 and Bentley SRF (further report on actual costs needed back to Cabinet)
Leisure and Culture	Leisure and Community Health	Walsall Arboretum Restoration Programme - illuminated Park proposals	0	270,000	0	0	This funding would allow the following work to be undertaken to celebrate the restored park: Lighting to key routes within the park; illumination of key park buildings including the Bandstand, Boathouse and Lichfield Street Lodge; and illumination of the park landscape features, trees and water features including the Boardwalk. The overall aim would be to create a unique experience in Walsall and allow visitors to view the park from a different and exciting perspective. It would broaden 'the offer' of the park, creating the environment for a diverse and imaginative events' programme utilising the bandstand, centre green and visitor centre.
Leisure and Culture	Leisure and Community Health	Restoration and Renovation of Broadway West Playing Fields	410,000	0	0	0	The proposal is to return Broadway West Playing Fields to full recreational use. Disposal of contaminated soil is very expensive so a remediation scheme is suggested which minimises the removal of soil. This would involve introducing an engineered cap on the site which would raise levels slightly through a proposed 300mm cap across the site extending to 600mm in heavily trafficked areas such as goal mouths and centre spots. The estimated cost for this is £410,000. This investment would brings the site back into beneficial use and is strongly supported by the local community.In so doing, it would address the shortfall in accessible Public Open Space provision in what is an area of high childhood obesity/inactivity.
Transport and Environment	Engineering and Transportation	Retained Housing Land	100,000	150,000	50,000	0	During the LSVT process, approximately 50% of housing land was retained by the council. This proposal relates to an extensive network of footpaths through 'public sector' housing estates which were not included in the housing stock transfer but which are not public highway . There is no budget for this work at present and so investment in this area through the council's capital programme would help maintain the condition of footpaths in a safe condition, and so reducing the risk of pedestrians tripping on damaged surfaces. This would in turn reduce the liability and the associated cost to the Council from claims arising from accidents.

PORTFOLIO	SERVICE AREA	PROJECT	2012/13 £	2013/14 £	2014/15 £	2015/16 £	DETAILS OF PROJECT & CUSTOMER BENEFIT
Leisure and Culture	Libraries, Heritage and Arts	Heritage centre for Walsall - relocation of the Local History Centre - Match funding	0	31,500	88,875	29,625	This project would bring together all of the council's museum and archive services into a single complex centred on the Leather Museum. This would involve the transfer of the Museum and Local History Centre from their respective locations into an exciting focal point for these popular activities. Visitors would benefit from a purpose-built facility that would enable the exploration of family and community history in a single trip. As such, it would increase the attractiveness of the borough's historic collections and simultaneously extend the offer of Walsall town centre. Any HLF grant funding in excess of £1m would involve a requirement for match funding of at least 10%.
Business Support	ICT	Replace essential Wide Area Network data circuits that will no longer be supplied by BT. These circuits connect buildings that are not being consolidated by Smarter Workplaces.	92,400	21,120	0	0	The contract with BT to provide network connections around the borough will expire and the renewal of these will need to take place. As the technology currently in place is now out of date there is a cost in putting in modern circuits. This will be co-ordinated around the reduction in the number of sites with the Smarter Workplaces project.
Business Support	ICT	Network Internet and External Security essential maintenance and upgrade	33,000	0	0		As more schools and other services use our internet service we need to increase the capacity on the hardware. This bid is to increase the hardware which prevents unauthorised attacks to our security. This upgrades the router and firewall to match the capacity of the circuits. This will ensure that the speed of response does not degrade.
Business Support	ICT	A new European directive to include more information on our mapping services means that we need to upgrade or select a new mapping software package.	29,700	0	0	0	There is an EU Directive (INSPIRE) that metadata must be included and displayed in mapping products. One such application which may meet this requirement is Mapinfo Manager - however there is also a requirement for additional data security levels - this could be addressed by a product like is GEOSTORE. This will provide more benefits internally to people with geographical based services and for our citizens looking for information.
TOTAL MAINSTREAM SCHEMES - NEW BIDS			**2,629,100**	**1,672,620**	**638,875**	**529,625**	

Draft Capital Programme 2012/13 to 2015/16 - Mainstream (Reserve List)

PORTFOLIO	SERVICE AREA	PROJECT	2012/13 £	2013/14 £	2014/15 £	2015/16 £	DETAILS OF PROJECT
Regeneration	Development and delivery	Strategic Acquisitions	To be funded from Project Reserve as required	0	0	0	This project relates to the use of capital funding to help create the conditions for economic growth and job creation by specifically maximising investment opportunities through the assembly of key development sites. The acquisition of strategically important sites in Walsall town centre will contribute to the delivery of key development priorities, and will build on the success of previous acquisitions that have created market-facing redevelopment opportunities. The proposed acquisitions, supported by the Strategic Property Board, involve land at Waterfront and Gigaport, key priorities for investment in the town centre. The current priorities are as follows: 1. Waterfront phase 1 and 2 to help to maintain the momentum of development of this key town centre project - £400k 2. Albert Street block, two separate acquisitions to fully assemble this key opportunity fronting the ring road within Gigaport, previously identified as the site for the new police station - £400k. Future acquisitions will be brought forward if resources allow or if the above priorities cannot be progressed.
Transport and Environment	Engineering and Transportation	Hatherton multi-storey car park - safeguarding income	0	400,000	200,000	0	The Hatherton Road Multi-Storey Car Park requires both structural repairs, maintenance and aesthetic improvements to meet the terms of the long lease agreement with Network Rail. Although structural repairs are currently underway, it has become apparent that further works are required before cathodic protection (to arrest the structural deterioration of the steel reinforcements) can be installed in 2013/14. It is anticipated that this will complete the current programme of structural repairs that are essential to safeguard the structural stability of the car park. Any further proposed investment, in other maintenance repairs and aesthetic improvements, can be deferred pending completion of a Walsall Town Centre Car Parking Strategy. Given the obligations of the lease, the proposed investment would represent good value for money for Council Tax payers.
TOTAL MAINSTREAM SCHEMES - RESERVE LIST			**0**	**400,000**	**200,000**	**0**	

Draft Capital Programme 2012/13 to 2015/16 - Non Mainstream

PORTFOLIO	PROJECT	2012/13 £	2013/14 £	2014/15 £	2015/16 £	FUNDING BODY
Education	Basic need	2,650,018	2,650,018	2,650,018	2,650,018	Department for Education
Education	Devolved formula capital	868,878	868,878	868,878	868,878	Department for Education
Education	Capital maintenance	4,711,108	4,711,108	4,711,108	4,711,108	Department for Education
Education	Academies	8,120,156	0	0	0	Department for Education
TOTAL CHILDREN'S SERVICES		**16,350,160**	**8,230,004**	**8,230,004**	**8,230,004**	
Green Spaces	Walsall arboretum restoration programme	2,215,911	0	0	0	Heritage Lottery Fund
Libraries, Heritage & Arts	Heritage Centre for Walsall - Relocation of Local History Centre	0	315,000	888,750	296,250	Heritage Lottery Fund
Leisure & Community Health	Walsall arboretum restoration programme - Illuminated park proposals	100,000	0	0	0	Heritage Lottery Fund
TOTAL LEISURE, CULTURE AND ENVIRONMENT		**2,315,911**	**315,000**	**888,750**	**296,250**	
Regeneration	Willenhall Townscape Heritage Initiative – Heritage Lottery Fund	350,000	150,000	150,000	150,000	Heritage Lottery Fund
Regeneration	Willenhall Townscape Heritage Initiative - VIEW	175,000	75,000	75,000	75,000	Visionary Investment Enhancing Walsall
Regeneration	Disabled facilities grant	1,215,000	1,215,000	1,215,000	1,215,000	Department of Communities and Local Government
Regeneration	Black Country Property Investment Programme	2,250,000	3,000,000	2,750,000	0	European Regional Development Fund
TOTAL REGENERATION		**3,990,000**	**4,440,000**	**4,190,000**	**1,440,000**	
Social Care	Innovative alternative to residential care and service redesign	749,829	0	0	0	Department of Health
TOTAL SOCIAL CARE AND HEALTH		**749,829**	**0**	**0**	**0**	
Engineering and Transportation	Local transport plan (including contribution to Darlaston SDA)	2,000,000	2,000,000	2,000,000	2,000,000	Department for Transport
Engineering and Transportation	Red routes	3,000,000	3,000,000	3,000,000	3,000,000	Department for Transport
TOTAL TRANSPORT		**5,000,000**	**5,000,000**	**5,000,000**	**5,000,000**	
TOTAL GRANT / EXTERNAL FUNDED		**28,405,900**	**17,985,004**	**18,308,754**	**14,966,254**	

Draft Capital Programme 2012/13 to 2015/16 - Leasing

Directorate/Purchases	2012/13 Draft Leasing Programme			
	New Capital Expenditure	Revenue implications		
		New Starts	Current leases	Total
	£' 000s	£' 000s	£' 000s	£' 000s
VEHICLES				
Fleet services budget - vehicles				
Catering	119	24	2	26
Children and young people	160	32	0	32
Engineering and transportation	24	5	7	12
Leisure	279	56	76	132
Public Safety	41	9	0	9
Regeneration	110	22	0	22
Resources	58	12	14	26
Social care and health	137	27	113	140
Street Pride	3218	644	1220	1,864
Tarmac - sub lease	0	0	0	0
TOTAL - STREET PRIDE VEHICLES	**4,145**	**831**	**1,432**	**2,263**
EQUIPMENT				
Social Care & Inclusion - portfolio				
Social Care & Inclusion - Equipment	0	0	41	41
TOTAL - SOCIAL CARE & INCLUSION	**0**	**0**	**41**	**41**
Business support services - portfolio				
Print and design - Equipment	296	60	41	101
Shared services - post room - Equipment	0	0	7	7
TOTAL - BUSINESS SUPPORT SERVICES	**296**	**60**	**48**	**108**
Public Safety - portfolio				
Public Safety - Equipment	0	0	260	260
TOTAL - PUBLIC SAFETY	**0**	**0**	**260**	**260**
TOTAL LEASING PROGRAMME	**4,441**	**891**	**1,781**	**2,672**

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