

REGENERATION SCRUTINY AND PERFORMANCE PANEL

DATE: 27 NOVEMBER 2012

Draft Revenue Budget 2013/14 for Regeneration Portfolio

Ward(s) All

Portfolio:

Councillor A Andrew – Regeneration

Summary of report

This report outlines the portfolio plans for future service delivery, along with the approach being taken to delivering service improvements and cost efficiency for the Regeneration portfolio. This includes Cabinet's draft revenue budget proposals for 2013/14 for consultation for the panel to make recommendations to Cabinet.

Recommendation

The panel are recommended to consider the portfolio plan for future service delivery, and draft proposals in this report, and make recommendations to Cabinet as appropriate.

Background papers

Various financial working papers.

Reason for scrutiny

To enable consultation and scrutiny of the draft portfolio plan and budget proposals for 2013/14.

Resource and legal considerations

Cabinet on 24 October 2012 presented their draft portfolio plans on future service delivery, including the draft revenue budget 2013/14 for consultation. These include savings options for the services within the remit of this panel. The plan and options are presented to this panel for consultation and scrutiny and allow the panel to make recommendations to Cabinet. These are shown in **Appendix 1**.

Table 1 overleaf sets out the draft budget 2013/14 for the Regeneration portfolio and changes in resources, compared to the approved budget for 2012/13.

Table 1 : Draft Net Budget – Regeneration Portfolio	2013/14 £m
Budget brought forward from 2012/13	10.328
Contractual inflation	0.026
Removal of one-off investment – Walsall Works	(1.090)
New savings options	(1.117)
Draft net budget requirement	8.147

There is also an additional saving of £573k in relation to further reducing the number of buildings in use for which regeneration are responsible for delivering. This is not included in the new savings options in **Table 1** as the budgets are currently held within other areas and therefore has no impact on the regeneration portfolio cash limit.

Citizen impact

The budget is aligned with service activity in service plans, and the principles of the working smarter programme. The report sets out the plans for future service delivery for the services within the remit of this panel.

Environmental impact

Savings options for 2013/14 consider the impact on the environment.

Performance management

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

Equality Implications

Service managers have regard to equalities in setting budgets and delivering services. Equality impact assessments will be undertaken as required prior to final recommendations being made to Council on the budget.

Consultation

This is the first of two meetings for scrutiny to consider Cabinets draft revenue budget. Recommendations from the panel will be reported to Cabinet at its meeting on 12 December 2012 for their consideration. The second meeting on 17 January 2013 will include the impact of the final settlement and any other funding changes and any changes to the draft figures arising from budget consultation. It will also include the draft capital programme for 2013/14.

Contact Officers:

Tim Johnson, Executive Director – Regeneration, ☎ 652004, ✉ JohnsonT@walsall.gov.uk
 Stuart Wootton, Financial Planning Manager, ☎ 652348, ✉ woottons@walsall.gov.uk
 Dan Mortiboys, Senior Finance Manager, ☎ 652328, ✉ mortiboysd@walsall.gov.uk

Regeneration Portfolio Plan

A. Summary of Services within the Portfolio

- Strategic Regeneration
- Development & Delivery
- Planning & Building Control
- Property Services
- Housing Services

B. Portfolio Aims, Objectives, Priorities

“Create the conditions for sustained economic growth by supporting the growth of business and jobs in Walsall, ensuring Walsall people have the right skills and environment to make the most of opportunities”

Manage our assets well:

- Stimulate private investment
- Support service delivery
- Reduce costs & liabilities

Support our town and district centres:

- Improve footfall
- Increase investment
- Improve customer experience

Create the right sites for business:

- Attract new business
- Retain existing business
- Raise external reputation of Walsall
- Create future supply
- Business friendly council

Support business growth:

- Understand & respond to new & existing business needs
- Retain & increase jobs
- Promote Walsall to new investors
- Improving transport links to improve infrastructure opening up employment sites
- Improving traffic flows within Walsall and our connections to others
- Improving public transport

Address unemployment:

- Reduce worklessness & resulting demands
- Raise aspirations
- Increase spending & demand in Walsall economy

Improve skills:

- Improve chances of getting & keeping a job
- Improve future resilience & employment flexibility

New and better homes:

- Respond to housing need
- Improve existing homes
- Create new homes

C. Service Design (informed by customer demand)

i. How will activities change between 2012/13 and 2013/14?

Property

Operational efficiencies in areas of building security; repairs and maintenance; materials and use of external design consultants have been proposed. Historical underspends have previously existed against these activity areas and it is considered lower risk to target these areas for savings in 2013/14. It is not anticipated that any changes in employee numbers or organisational structures will be necessary to deliver these savings. The size of the property estate will continue to reduce as part of the agreed Smarter Workplaces activity. This will dovetail with a wider review of asset use during 2013/14.

Development and Delivery

Operational efficiencies through service redesign within the markets will be delivered reflecting the overall reduced service across the borough. There will also be a modest increase in market rents payable on Walsall Market. The market rent change is anticipated to generate £100,000 of additional income. A policy decision to implement this will be required by Cabinet, following consultation. The policy paper is attached for consultation purposes in section F.

Strategic Regeneration

There are no budget changes planned for this period.

Planning and Building Control

Removal of three existing vacant posts in directorate support.

Housing

Management will be streamlined and service delivery more integrated. Services will become more efficient and effective by designing and reviewing against customer demand and what matters to customers. Fee income for the delivery of capital works schemes will increase.

ii. How will you ensure you achieve the above Aim, Objectives, Priorities (what activities / services will be provided) within the cash limited budget available, and how will you measure this?

Property

This will be achieved by regular monitoring and reporting within the service area against clear baseline budget positions by named budget managers. This activity will be supported by Finance.

Development and Delivery

This will be achieved by regular monitoring and reporting within the service area against clear baseline budget positions by named budget managers. This activity will be supported by Finance. All services will remain within approved cash limits through active external contract and internal budget management.

Strategic Regeneration

All services will remain within approved cash limits through active external contract and internal budget management. Remaining service delivery will be re-focussed against key customer priorities established at the time of loss.

Planning and Building Control

The service has recently been redesigned in order to achieve the required savings and we will continue to review the needs of our customers in any further redesign.

Housing

This will be achieved by regular monitoring and reporting within the service area against clear baseline budget positions by named budget managers. This activity will be supported by Finance.

D. Draft Revenue Budget 2013/14

The provisional revenue budget for 2013/14 is attached. This summarises the current cash limit for 2012/13 and the proposed cash limit for 2013/14. It details the proposed change in activity required for 2013/14.

In summary the proposed net spend for 2013/14 is £8.147m compared to £10.328m in 2012/13. Of this -£2.181m change, £1.09m relates to removal of one-off funding in 2012/13.

E. Future capital requirements

A summary of capital bids for consideration are currently under review. Business cases for proposed schemes will be assessed and recommendations will be made to produce a draft capital programme for reporting to Cabinet on 12 December. These will be detailed here following the completion of the draft capital programme, along with any leasing requirements.

Regeneration Portfolio Cash Limit

								Principles against which the Budget has been tested			
								Safeguarding interests of vulnerable people - children and adults	Promoting economic prosperity for residents	Reducing Inequalities	Aim to make Walsall a better place to live and work
Activity	Activity covered by this Area (per portfolio plan)	Gross Expenditure 2012/13	Gross Income 2012/13	Net Budget 2012/13	Budget 2013/14	Change £	Change Proposals	Do the proposals (the overall budget) safeguard the interests of vulnerable people. How?	Do the proposals (the overall budget) promote economic prosperity. How?	Do the proposals reduce inequalities. How?	Do the proposals help to make Walsall a better place to live and work. How?
Property Services											
Property Services	• Council wide property services	n/a	n/a	n/a	-573,161	-573,161	Operational saving of -£573k: Further reduce the number of buildings in use and therefore related spend; modify supply chain to maximise efficiencies and eliminate waste; modify service levels to match actual demand; redesign service structure to reflect core activity alongside scalable transactional services.	No direct impact	No direct impact	No direct impact	No direct impact
Building Services	• Property management of all council operational buildings - revenue & capital • Energy management and conservation • Redundant buildings • Building logbook process management • Statues, memorials & clocks	2,996,187	0	2,996,187	2,506,702	-489,485	Operational savings of -£504k: Reduce expenditure on: repairs and maintenance -£370k, materials -£69k and security -£65k. Investment: Contractual inflation of 15k.	No direct impact	The services seek to maximise supply and contracting opportunities for Walsall businesses. A reduction in spend could impact on the volume of trade undertaken with local businesses, with the risk this reduces employment levels.	No direct impact	Ensuring council buildings are securely and appropriately maintained makes a positive contribution to communities and reduces the risk of anti-social behaviour and ensures council services can be provided from fit for purpose accommodation.
Facilities Management	• Management of central office accommodation and town halls • Curatorial service • Cleaning & caretaking • School crossing patrols • Plant maintenance	10,952,859	-10,371,275	581,584	428,945	-152,639	Operational saving of -£155k through reduced expenditure on utilities owing to investment in energy efficiency and rationalisation of buildings. Investment: Contractual inflation of £2k.	Ensuring safe routes to schools are maintained.	Cleaning and caretaking provides large numbers of entry level jobs for pre-dominantly Walsall residents, reduction in the service would impact on this.	No direct impact	No direct impact
Asset Management	• Strategic asset management (including disposals/acquisitions) • Estates service & land terrier • Management of the non-operational estate- unclassified land & premises, shops & commercial premises & farms • Asset management database	1,114,922	-713,003	401,919	401,919	0		No direct impact	Ensuring the council's assets are well managed with surplus assets being disposed of to support capital investment in council priorities. Securing land that can contribute to the creation of higher quality employment sites.	No direct impact	Ensuring council assets are positively used for the benefit of local communities
Design and Project Mgt	• Building design • Project management & procurement • Contract & procurement • Framework management	885,516	-921,805	-36,289	-56,289	-20,000	Operational saving of -£20k through reduced spend with external design consultants.	No direct impact	The services seek to maximise supply and contracting opportunities for Walsall businesses.	No direct impact	Ensuring council funded building activity (e.g. school improvements etc) makes a positive contribution to local communities
Smarter Workplaces		1,873	0	1,873	1,873	0					

Regeneration Portfolio Cash Limit

								Principles against which the Budget has been tested			
								Safeguarding interests of vulnerable people - children and adults	Promoting economic prosperity for residents	Reducing Inequalities	Aim to make Walsall a better place to live and work
Activity	Activity covered by this Area (per portfolio plan)	Gross Expenditure 2012/13	Gross Income 2012/13	Net Budget 2012/13	Budget 2013/14	Change £	Change Proposals	Do the proposals (the overall budget) safeguard the interests of vulnerable people. How?	Do the proposals (the overall budget) promote economic prosperity. How?	Do the proposals reduce inequalities. How?	Do the proposals help to make Walsall a better place to live and work. How?
Strategic Regeneration											
Strategic Transportation and Major Scheme Development and Contract Management	<ul style="list-style-type: none"> Transportation strategy, policy & scheme development Transportation capital programme management Sub / regional joint working and partnership development Darlaston strategic development area (DSDA) major project development & implementation 	1,092,498	-388,399	704,099	704,099	0	None - funding for this work area is totally through the capital programme allocations received through the DfT.	Improving the ability for people to move around the borough thereby opening up more employment and training opportunities.	Development & delivery of the DSDA access programme, activity to ensure the borough has the transport infrastructure to enable people to move around the borough for work/training; to ensure businesses can operate efficiently and to support future economic growth.	Improving the ability for people to move around the borough thereby opening up more employment and training opportunities.	Improving access around the borough and region improves Walsall as a location to live and establish/maintain a business. DSDA Scheme opening up the Enterprise Zones (EZ) and assisting in the creation of 1000's of new jobs.
Economic Growth Programme	<ul style="list-style-type: none"> Think Walsall / business support Social enterprise development Promoting inward investment Employment & skills programme Local enterprise partnership / Black Country working Growth sector development Economic intelligence Service management Town & district centre management 	80,446	-73,333	7,113	7,113	0		Increasing, through the delivery of targeted activity, the range of employment and training opportunities for vulnerable people e.g. one stop shops for local unemployed people. Supporting through the town and district centres teams, access to facilities and shops etc.	Activity to directly support people to gain the skills and training required to access employment; programmes to help people overcome barriers to working e.g. transport costs; activity through Think Walsall to help businesses generate more local trade and promoting Walsall as a competitive business and investment location. The delivery of an Inward Investment programme, linked to accessing external resources (European Social Fund etc.) and raising our profile.	Increasing the range of employment and training opportunities for local people in worklessness; helping remove barriers to work thereby helping to address economic inequality. Getting people into work will also tangibly impact on health inequalities.	More employment opportunities will increase the attractiveness of Walsall as a place to live and work and will also mean more local people can fulfil their employment potential without having to necessarily leave Walsall.
Walsall Work Programme	<ul style="list-style-type: none"> Walsall Works apprenticeship programme 	1,090,000	0	1,090,000	0	-1,090,000	This is an accounting adjustment reflecting the removal of approved one year 2012/13 funding for Walsall Works programme	Increasing, through Walsall Works and other activity, the range of employment and training opportunities for vulnerable people e.g. apprenticeships for care leavers.	The creation of 550 apprentice places, up to 250 pre apprentice places, all aimed at supporting young people into sustainable employment.	Access to employment opportunities within local employers that would have been missed by members from vulnerable / disadvantaged communities.	More employment opportunities will increase the attractiveness of Walsall as a place to live and work and will also mean more local people can fulfil their employment potential without having to necessarily leave Walsall.
Planning Services											
Development Management	<ul style="list-style-type: none"> Planning advice to applicants, agents and developers Processing planning applications Defending planning appeals Planning enforcement activity 	1,051,176	-864,080	187,096	187,096	0		No direct impact	Effective advice to developers/businesses and an efficient process to determine planning applications is a key requirement in achieving development and creating/sustaining jobs.	An effective planning system makes a contribution to enabling job creating development which in turn can help address economic inequalities.	Effective planning can help improve/protect the boroughs physical environment bringing benefit Walsall resident's and proactive enforcement can address sites/buildings which have an adverse impact on local areas.
Land Charges and Central Administration	<ul style="list-style-type: none"> Maintaining local land charges register Undertake land & property searches Maintain a local land & property gazetteer (LLPG) IT development & support 	1,008,442	-526,103	482,339	403,243	-79,096	Operational saving of -£79k through removal of 3 vacant posts	No direct impact	An efficient land searches services assists local people looking to move home and in turn helps sustain the local housing market. The changes can be achieved through efficiencies.	No direct impact	No direct impact

Regeneration Portfolio Cash Limit

								Principles against which the Budget has been tested			
								Safeguarding interests of vulnerable people - children and adults	Promoting economic prosperity for residents	Reducing Inequalities	Aim to make Walsall a better place to live and work
Activity	Activity covered by this Area (per portfolio plan)	Gross Expenditure 2012/13	Gross Income 2012/13	Net Budget 2012/13	Budget 2013/14	Change £	Change Proposals	Do the proposals (the overall budget) safeguard the interests of vulnerable people. How?	Do the proposals (the overall budget) promote economic prosperity. How?	Do the proposals reduce inequalities. How?	Do the proposals help to make Walsall a better place to live and work. How?
Building Control	<ul style="list-style-type: none"> Investigating & enforcing / prosecuting against breaches in planning control Building regulation applications Planning applications Advising & dealing with dangerous structures 	724,092	-493,278	230,814	230,814	0		No direct impact	Building control is an important element of the overall development process and is key to enabling employment related development.	No direct impact	Building control ensures buildings are safe and action is taken against owners of unsafe buildings to ensure that local communities are not adversely impacted.
Planning Policy	<ul style="list-style-type: none"> Producing, reviewing & monitoring planning policy 	381,553	-35,807	345,746	345,746	0		No direct impact	A robust, evidenced planning policy base is essential to support employment generating development and to resist inappropriate development proposals.	No direct impact	A community informed planning polices help to protect the physical environment and ensure appropriate development.
Development & Delivery											
Development and Delivery	<ul style="list-style-type: none"> Promoting and facilitating Development in the borough Major employment project delivery (including key Town Centre sites) Employment land assembly and preparation (including enterprise zones) Town and district centre management Strategic business engagement Securing external funding Landscape design Natural and built environment 	1,214,948	-283,450	931,498	931,498	0		Activity supports the creation of future employment opportunities for Walsall people. Engagement with Walsall employers provides opportunity to enhance the employability of vulnerable people looking to access the job market.	Direct activity to support new and existing businesses to locate/expand thereby safeguarding and stimulating job creation. Reductions in capacity will reduce the extent to which the council can assist businesses and also take pro-active action to bring forward quality employment land which is a key priority.	Activity supports the creation of future sustainable employment opportunities for Walsall people - thereby contributing to addressing economic inequality across the borough.	Addressing and improving key sites and centres will positively impact on the environment of the borough, improving Walsall as a place to live and work.
Markets	<ul style="list-style-type: none"> Delivery of Walsall markets service 	1,088,376	-1,134,872	-46,496	-167,947	-121,451	Policy saving of -£100k: 1. Increase in charges for Walsall market. Operational saving of -£30k 2. Service redesign. Investment; Contractual inflation of £9k.	No direct impact	The markets are a key part of the town & district centres' offer' and a source of employment. Changes can be achieved without directly affecting the markets.	Markets provide access to cost effective goods for local people and are a source of accessible employment.	Markets are a valued part of the communities in which they operate.
Housing Services											
Housing Strategy Partnerships	<ul style="list-style-type: none"> Work with housing providers, developers & funders to maximise investment, increase the supply of new homes Develop strategies & policies to improve housing choice & to ensure access to accommodation in the social & private sector 	368,395	0	368,395	315,369	-53,026	Operational saving of -£53k through optimising delivery of housing strategy & partnerships service	Working with housing providers and developers to address specific housing needs of vulnerable groups.	Pro-actively working with housing developers helps to increase the number of new homes in the borough as well as providing employment and trading opportunities for local people/businesses within the housing sector.	There are a range of defined housing needs in Walsall, which compound social and economic inequalities. Working with developers and registered social landlords helps to increase the range and supply of affordable housing to address these.	Improving the range and quality of housing across the borough for Walsall people.

Regeneration Portfolio Cash Limit

							Principles against which the Budget has been tested				
							Safeguarding interests of vulnerable people - children and adults	Promoting economic prosperity for residents	Reducing Inequalities	Aim to make Walsall a better place to live and work	
Activity	Activity covered by this Area (per portfolio plan)	Gross Expenditure 2012/13	Gross Income 2012/13	Net Budget 2012/13	Budget 2013/14	Change £	Change Proposals	Do the proposals (the overall budget) safeguard the interests of vulnerable people. How?	Do the proposals (the overall budget) promote economic prosperity. How?	Do the proposals reduce inequalities. How?	Do the proposals help to make Walsall a better place to live and work. How?
Housing Standards & Improvement	<ul style="list-style-type: none"> Work with landlords, tenants & home owners to ensure housing is safe & healthy to live in Advice & assistance to private residents and residents Manage the council's gypsy and traveller site Work with home owners to bring back empty homes into use 	734,771	- 206,236	528,535	485,942	-42,593	Operational saving of -£43k through increase income generated from capital fees and operational efficiencies.	The key objective for the service is to help people stay safe and well in their home and to support to lead independent lives in their homes for as long as is possible.			
Supported Housing	<ul style="list-style-type: none"> Work with housing providers, CAB & others to prevent and tackle homelessness Advice, assistance & services to residents in housing difficulty on their housing options Manage a range of temporary and supported housing schemes Provide access to a range of accommodation & support services for vulnerable households including rough sleepers, homeless households, gypsies, travellers & refugees 	2,196,759	-1,783,404	413,355	322,525	-90,830	Operational saving of -£91k through review and reduction of overall spend on accommodation services (inc repairs and maintenance, security provision, bed and breakfast and general supplies)	The key objectives for the service are to get a home, keep a home and ultimately tackle and prevent homelessness. The 'money, home, job operating model means that we take full account of individual residents and businesses circumstances before determining the appropriate action to take on their case. The work of the accommodation team will continue to provide much needed support, advice and accommodation to some of the most vulnerable people and households in the borough.	Helping to provide a stable home is crucial to an individual or family's prospects of securing or retaining employment.	Improving access and choice in respect of housing for all residents is central to the purpose of the service and the focus is on helping and supporting those currently disadvantaged and/or excluded in the housing market.	
Housing management	<ul style="list-style-type: none"> Management of the service 	299,456	0	299,456	285,491	-13,965	Operational saving of -£14k through deletion of e training / general supplies budget.	The 'money, home, job operating model means that we will be exploiting the potential benefits of integrating our management approaches across the delivery of all key services that support our overall objectives.			
Regeneration Management	<ul style="list-style-type: none"> Management of the service Directorate training programme Black Country Consortium 	841,234	0	841,234	813,155	-28,079	Operational savings of -£28k: 1. Reduction in contribution to Black Country Consortium -£20k 2. Reduced training budget -£8k.	No direct impact	Ensuring the Black Country sub-region is cohesive and strong helps attract major public and private investment to support employment generating activity and development in Walsall (e.g. EZ; government grants).	More employment opportunities for local people can potentially help address economic inequalities across the borough.	No direct impact
Total Regeneration		28,123,503	-17,795,045	10,328,458	7,574,133	-2,754,325					