

CORPORATE SCRUTINY AND PERFORMANCE PANEL

DATE: 3 JANUARY 2013

Draft Revenue Budget and Capital Programme 2013/14 for Finance and Personnel and Business Support Services Portfolio

Ward(s) All

Portfolio:

Councillor C Towe – Finance and Personnel
Councillor M Arif – Business Support Services

Summary of report

This report contains the draft capital programme for the Finance and Personnel and Business Support Services portfolios.

Recommendation

The panel is recommended to consider the draft capital programme 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 capital programme 2013/14.

Resource and legal considerations

Revenue

Cabinet on 24 October 2012 presented their draft revenue budget 2013/14 for consultation which was presented to this panel on 29 November 2012. The recommendations from the panel were presented to Cabinet on 12 December 2012. There are currently no further changes to what was previously reported, however the budget is an evolving process with recognition that proposals may change during consultation (which ends in January) and prior to formal recommendation to full Council on 21 February 2013. At the time of dispatch we are awaiting publication of the draft settlement for 2013/14 which is expected 19 December 2012.

Capital

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.

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.

Despite the difficulties, significant investment is planned and funded over the three year 2013/14 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.

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 third party contributions.
- Leasing Programme – funded from revenue

Table 1 and **2** set out the draft capital programme 2013/14 to 2017/18 for the Finance and Personnel and Business Support Services portfolios with further detail of the schemes attached at **Appendix 1**.

Table 1: Draft Capital Programme 2013/14 to 2017/18 Finance and Personnel Portfolio					
Project	2013/14	2014/15	2015/16	2016/17	2017/18
	£	£	£	£	£
<i>Mainstream (council) funded schemes</i>					
Leasing v buying	340,000	0	0	0	0
Risk Management	100,000	100,000	100,000	100,000	0
Uninsured property damage	200,000	200,000	200,000	200,000	0

Table 2: Draft Capital Programme 2013/14 to 2017/18 Business Support Services Portfolio					
Project	2013/14	2014/15	2015/16	2016/17	2017/18
	£	£	£	£	£
<i>Mainstream (council) funded schemes</i>					
Essential enhancement to data security systems	60,000	0	0	0	0
Bring your own device security layers	70,000	0	0	0	0
Telephony consolidation	50,000	0	0	0	0
Upgrade of Windows	705,700	0	0	0	0
Replace essential wide area network data circuits	21,120	0	0	0	0

There is also an allocation within the leasing programme for Business Support Services portfolio of £70k in 2013/14 in relation to purchase of new equipment within print and design.

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

The impact on the environment is considered alongside all budget / capital programme proposals.

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 / capital programme and delivering services. Equality impact assessments will be undertaken as required prior to final recommendations being made to Council on the budget.

Consultation

Recommendations from the panel will be reported to Cabinet at its meeting on 24 January 2013 for their consideration.

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Details of Capital Bids

Leasing v Buying

For each vehicle or piece of equipment that we purchase and drawdown through the vehicle replacement programme, an options appraisal is conducted to determine whether purchasing or leasing is the most cost effective option. This will fund those items which we purchase> This ensures that we demonstrate VFM with each decision and due to low borrowing rates, purchasing is currently proving to be cheaper than leasing.

Risk Management

Funding utilised where risk assessments have been undertaken or where events dictate that action be taken to manage risks. This assists preventing future losses, reduces insurance premiums and results in less call on the uninsured property damage allocation.

Uninsured Property Damage

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.

Essential enhancement to data security systems

To replace end of life access control servers for the whole council. The servers controlling user access to the council's network are end of warranty life and will soon be non-compliant with the government code of connection.

Bring your own device security layers

The authority has to maintain the security of its network and adhere to the GCSX code of connection to continue the using G-CLOUD services such as housing benefits and registrar's "Tell us Once" , but all public sectors are moving towards "bring your own device to work" concepts because of the financial and personal productivity advantages they offer. As more people get their own iPads etc. we need to put additional security in to enable their use but keep the council's information secure.

Telephony consolidation.

We currently maintain 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. 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. ICT will continue to push technology refresh through the outlying areas of the council properties to introduce thin client and consolidate the phone systems including the council house. Costs include new desktop hardware and software and costs for the central servers. The thin client devices have a life of 15 years which is the equivalent of 2 or 3 desktop replacement exercises.

Upgrade of windows

Upgrade to the councils remaining out of date works stations which will bring them in line with the new technology in place for smarter workplaces and will ensure that the council has a robust and resilient environment which is fit for future technological use, this will enable the council to move away from windows in the future if required and will include mobile devices where appropriate.

Replace essential wide area network data circuitsThis is the final phase of a 3 year program to migrate away from BT as they were more expensive than the alternative that we selected (UpData) in 2011.