

Cabinet – 17 November 2010

Draft Corporate Revenue Budget Options 2011/12 for Consultation

Portfolio: Councillor C Towe - Finance and Personnel

Service: Finance – council wide

Wards: All

Key decision: No

Forward plan: No

1. Summary of report

1.1 This report presents the first draft revenue budget options for 2011/12 for distribution 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 allocations of grant, including Formula Grant, will be presented to Cabinet on 9 February 2011, before being considered by full Council on the 24 February 2011.

2. Recommendations

2.1 That Cabinet approve as the basis of consultation:

a) Draft revenue cash limits by portfolio as set out in section 4.3, which includes draft investment and savings options as summarised in Appendices 1 to 3.

2.2 That Cabinet note and approve the consultation arrangements and reporting framework back to Cabinet set out in section 3.

2.3 That Cabinet refer this report to all scrutiny and performance panels for consultation, to enable their comments to be considered by Cabinet on 15 December.

2.4 That Cabinet note the level of uncertainty around the final settlement and grant allocations and that should final allocations be less than current estimates, further proposals for ensuring a balanced budget will be brought back for Cabinet consideration as the budget develops and information is published.

3. Background information

3.1 The budget setting framework and timetable was approved by Cabinet at its meeting on 15 September 2010.

3.2 Further activity includes:

- Consultation on the draft revenue budget proposals with scrutiny and performance panels in late November/ early December
- Decision conferencing with Corporate Scrutiny Panel on 9 and 10 December
- Receipt of the draft settlement expected early/mid December and the final settlement in late January
- A second round of consultation on the draft revenue and capital budget proposals with scrutiny and performance panels in January 2011
- Approval of the final budget by Cabinet on 9 February 2011, for recommendation to Full Council on 24 February 2011.

4. Resource and legal considerations

2011/12 Budget Headlines and Draft Net Budget Requirement

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

- A focus on a policy-led budget setting approach using corporate priorities established by Cabinet and underpinned by Working Smarter principles
- A total draft net budget requirement of £239.90m
- Provision for inflationary pressures of £5.089m
- Provision for known budget pressures, including fall out of grant, demographics, and income shortfalls of £5.755m
- Full year impact of growth approved in the 2010/11 budget of -£0.459m
- Proposed savings options for 2011/12 of £16.63m
- Full year impact of savings approved in the 2010/11 budget of £2.163m

4.2 Table 1 overleaf provides a summary of the council's net draft budget requirement 2011/12, excluding precepts, compared to the 2010/11 budget.

Table 1: Draft Net Budget Requirement for 2011/12 compared to 2010/11	£'m	Further Detail
2010/11 Approved by Council on 22 February 2010:	245.496	
<u>Changes:</u>		
Inflationary pressures	5.089	App 1
Financing Options / Service Cost Pressures	5.755	
Provision for corporate pressures	2.821	
Full year effect of 2010/11 growth and fallout of one-off investment	(0.459)	
Proposed savings options 2011/12	(16.634)	App 2/3
Full year effect of 2010/11 savings	(2.163)	
2011/12 Draft net budget requirement:	239.905	

- 4.3 Table 2 below sets out the draft cash limit 2011/12 for individual portfolios.

Portfolio	Provisional Draft Budget 2011/12 £'m
Children's Services	64.247
Communities and Partnerships	10.981
Business Support	(1.700)
Finance and Personnel	14.241
Leisure, Culture and Environment	39.375
Regeneration	10.400
Social Care and Health	72.416
Transport	15.252
Central budgets / Levies	14.693
Draft Net Budget Requirement	239.905

Available Resources

- 4.4 Table 3 provides an analysis of estimated funding to meet this requirement. The draft settlement is expected in early/mid December, and will impact on the budget if it changes from our estimates. Further work is in hand to calculate the impact of any shortfall or surplus on the collection fund and its impact on the council tax increase. In addition, these proposals represent a very early indication of the draft budget position, based on cabinet priorities, cost and funding information. It is therefore expected to change as further information becomes available on funding allocations and consultation feedback is received.

**Table 3: Estimated Available Resources for 2011/12
(Pre-settlement)**

Source of Funding	£'m
Estimated Formula Grant	130.381
Estimated Council Tax	111.105
Estimated Reduction in Area Based Grant and other grants	(1.581)
Total Resources to fund net budget requirement	239.905

- 4.5 In support of the Governments action plan to reduce the national deficit but more importantly to help the people of Walsall, total resources assume a council tax freeze.

Formula and Other Grant

- 4.6 The Government provides funding to councils through Formula Grant (FG). For Walsall in 2011/12, current best estimates indicate this to be £130.381m, which represents about 54% of the council's overall net budget requirement and as such has a significant impact on the level of services the council can afford to provide. Any budget requirement over and above the level of grant has to be borne either via council tax payers and/or users/recipients of services.
- 4.7 Formula grant is a complex calculation within various blocks based on relative needs, population, demographic data, the tax base and "floor damping". The dampening mechanism ensures no council receives less than a 1.75% annual increase and so acts as a safety net for those councils that would otherwise lose out in grant receipt. It is not yet known whether there will be changes to how FG is distributed or it's methodology, which could have a significant impact on Walsall's funding.
- 4.8 The Comprehensive Spending Review (CSR) issued on 20 October 2010 announced reductions to the Formula Grant settlement of 28.4% over the 4 year period; significant unringfencing of specific grants, and movements of 80 (out of 90) grants into Formula Grant, with some further reductions to remaining specific grants. The full analysis of this is still ongoing, as specific allocations have not yet been publicised. The expected draft settlement date is early/mid December. The draft budget and proposals may need to be amended as allocations are published.

Dedicated Schools Grant

- 4.9 Government provides a separate ring fenced grant for schools; the Dedicated Schools Grant (DSG). In 2011/12, the Governments

spending review of 20 October 2010 announced changes to school funding as follows :-

- Real terms increase of 0.1% each year of the spending review for the 5 to 16's school budget, including a pupil premium for disadvantaged children
- Extending 15 hours a week of early education and care to all disadvantaged 2 year olds from 2012/13, and maintaining the universal entitlement to 15 hours for all 3 and 4 year olds
- Sure Start services will be maintained in cash terms, including new investment in Sure Start health visitors, for improving the life chances of disadvantaged children
- Reduction in capital funding for Education schemes
- Ringfencing all local government grants to cease in April 2011 with the exception of Simplified Schools Grant.

The detail of these changes and how new grants will operate and be distributed has yet to be announced, and the impact will be advised when known.

Collection Fund

- 4.10 The collection fund is a fund separate to the revenue general fund which accounts for income collected from council tax. In January of each financial year, an in-depth appraisal is undertaken to assess the estimated level of collection (as aggregated to include that relating to the current and previous years), the likely balance of the fund and to advise the precepting authorities (Fire and Police) of their share of the surplus/deficit to enable them to take this into account in their own budget calculations. Any surplus or deficit calculated as at January 2011 will impact on the final council tax sum.

Investment

- 4.11 The draft 2011/12 revenue budget includes £0.459m fallout of one-off growth relating to investment decisions made by Council in February 2010 where a part year effect only was included in 2010/11. In addition further investment totalling £5.755m has been identified as a very high priority by Cabinet and as being essential to meeting cost pressures, legislative requirements and reduced levels of income or grant. Details can be found at Appendix 1. All education-related pressures will be required to be accommodated from the schools DSG.

Savings Options

- 4.12 Savings options of £16.634m are included within this report for consultation. These savings have been identified using the principles of Working Smarter. Service costs are also being compared with that of other metropolitan councils (where statistics are available) with the aim to be best in class within four years.

4.13 Savings have been categorised as follows:

- Operational savings of £9.905m – savings which officers have delegated authority to implement - including internal restructures, increased value for money in contracts and existing budgets, and the introduction of cost efficiencies. These are shown at Appendix 2 for information.
- Executive savings of £6.729m – those requiring a Cabinet decision to implement. These are shown at Appendix 3 for the purposes of consultation.

4.14 Fees and charges were also reviewed as part of the budget process and increases amounting to £0.148m are included. Where appropriate, increases or new charges have been proposed and benchmarking has been undertaken to ensure that the council is making appropriate charges for services provided. This review will continue to ensure that applicable charges and value for money services are delivered.

General Fund Reserves

4.15 Councils must set and maintain a budget sufficient to cover all known expenditure and headroom for unknown expenditure. It is prudent for councils to maintain adequate general reserves and contingencies and a risk assessment is used to determine appropriate levels. Chief financial officers are required to formally report to members on the adequacy of reserves, and this will be included in the February budget report.

4.16 The current MTFS requires opening general reserves of between 2.25% and 5% of the net general fund revenue budget. The final budget report will provide for an adequate level of balances as assessed by the Chief Finance Officer.

Medium Term Financial Outlook

4.17 The Comprehensive Spending Review on 20 October 2010 announced significant reductions in public spending to 'repair' the government deficit of £109bn by 2014/15. For local government, this means an expected overall 7.1% per annum reduction in funding, with devolution of financial control, and the un-ringfencing of all local government grants from April 2011 with the exception of the Simplified Schools Grant and Public Health Grant.

4.18 The number of funding streams will also reduce, with a further expectation that capital expenditure to fall by 30% by 2014/15. The Supporting People programme has been protected, but the Working Neighbourhood Fund and Growth Area funding will end. Additional investment has been announced for Social Care, and to accelerate reform of local services.

- 4.19 Work is ongoing in respect of the medium term financial outlook, which is updated as the full extent of government changes become known. It is estimated that savings in the region of £80m will be required over the next four years in order for the council to set a balanced budget. A budget framework with targets will be issued in the coming months to all services to commence the process for 2012/13 onwards. .

5. Citizen impact

- 5.1 The budget is aligned with service activity in service plans, and prepared using the principles of the Working Smarter programme. The savings and efficiencies reduce net cost and dampen the need for council tax increases. A stable financial position ensures activity is targeted on service delivery and driving improvement.

6. Community safety

- 6.1 The draft budget provides funding for community safety initiatives.

7. Environmental impact

- 7.1 Savings options for 2011/12 consider the impact on the environment. The new carbon trading scheme starts fully in April 2011, therefore it is essential that the council reduces its carbon footprint to ensure we are placed reasonably in the carbon league tables to avoid any loss of funding and avoid penalties.

8. Risk management issues

- 8.1 Service managers undertake comprehensive risk assessments of their budgets by identifying risk factors associated with potential changes to service delivery and funding streams to ensure that adequate corporate budgetary provision is available to cover unforeseen future events. This risk management approach has been in place for several years and is used to inform the level of earmarked reserves and working balance. A detailed statement on the adequacy of general and earmarked reserves and provisions will be included within the final budget report in February, along with a comprehensive financial assessment of the key risks to the 2011/12 budget.
- 8.2 Managers are required to deliver their services within budget and there are comprehensive performance arrangements in place to monitor and manage this.

9. Equality implications

- 9.1 Service managers have regard to equalities in setting budgets and delivering services. Equality impact assessments are undertaken on options and the overall budget which are independently assessed by

the Councils Equality and Diversity team. These will be refined as feedback is received on the budget as part of the consultation process.

10. Consultation

10.1 The council is statutorily obliged to consult with representatives of non-domestic ratepayers before setting the budget for the following financial year. Public consultation started in September and includes:

- Budget consultation packs sent to key community and voluntary sector organisations, and also published on the council's website.
- Interviews of older people at Age Concern road shows
- Discussions held with service users and young people, met people with learning disabilities, and gathered feedback at the Centre for Independent Living
- Business consultation with representatives from the business community on 28 September 2010
- On line budget simulator tool launched on 8 October 2010 until 5 November 2010 for residents to review budget prioritisation
- A Workforce Management JNCC has been established to consult with employee representatives and discussion on budget options will start formally on 22 November
- Consultation with schools on schools budgets.

10.2 A detailed report will be presented to Cabinet on 15 December 2010 providing consultation findings in order for Cabinet to take these into consideration in finalising their budget proposals.

Background papers

Various financial working papers.
Equality Impact Assessments
Budget Consultation

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James Walsh
Chief Finance Officer
17 November 2010



Cllr Chris Towe
Finance and Personnel
17 November 2010

**BUDGET 2011/12 +
SERVICE COST PRESSURES**

REF	COST PRESSURES	SERVICE AREA	ANNUAL PRESSURE		
			2011/12	2012/13	2013/14
			£	£	£
COMMUNITIES AND PARTNERSHIPS					
1	Support to non-school Community Associations to assist in building management responsibilities	Walsall Partnership	80,000	80,000	80,000
2	Local Involvement Network due to fall out of grant. Renamed Health Watch from 1 April 2011 and subject to a report to Cabinet on 17 November 2010. The council has a statutory duty to undertake this function.	Walsall Partnership	169,000	169,000	169,000
3	Shared stray dog reception facility - council took over responsibility for stray dogs from April 2008 (shared responsibility with Police prior to this).	Public Safety	17,000	17,000	17,000
4	CCTV surveillance income shortfall	Public Safety	30,000	30,000	30,000
5	Disinfestation income shortfall. Additional charges placed on mice treatments led to a decrease in the uptake of service.	Public Safety	20,000	20,000	20,000
6	Licensing Income shortfall	Public Safety	20,000	20,000	20,000
TOTAL			336,000	336,000	336,000
REGENERATION					
7	Black Country Joint Core Strategy (JCS) - recently been approved, and will be the delivery framework for the development of Walsall up to 2026, this investment in the policy team will replace capacity lost as a result of grant fall out and will ensure the production of the individual Development Plans Documents (DPD's) and site allocation plans which are required to provide an appropriate statutory land use policy framework, to enable the future delivery of development and investment in the borough.	Planning & Building Control	81,055	81,055	81,055
8	Planning application fee income shortfalls. Investment bid approved for last 2 years to reflect fall in income due to economic downturn, which now falls out. The ongoing slow recovery prevents the achievement of income target as such the investment is to be re-instated.	Planning & Building Control	278,000	278,000	278,000
9	Unclassified land and buildings fee shortfall - due to the economic downturn, resulting in a loss of rent income from vacant premises	Property Services	60,000	60,000	60,000
10	Black Country Re-investment Society loans to small or medium size businesses in Walsall - total investment of £150k, funded £75k from Council funding and £75k match funded from external resources. Should external funding not materialise, the investment will be reduced accordingly.	Strategic Regeneration	150,000	0	0
TOTAL			569,055	419,055	419,055
SOCIAL CARE AND HEALTH					
11	Learning Disability - Demographic growth, transition - expected change in existing need of current service users	Access, Assessment & Care Mgt	659,000	659,000	659,000
12	Older People - Demographic growth - forecast 2.3% increase in people aged 75+	Access, Assessment & Care Mgt	383,097	383,097	383,097
13	Mental Health - Demographic growth - forecast increase of 32 people requiring services	Access, Assessment & Care Mgt	390,421	390,421	390,421
TOTAL			1,432,518	1,432,518	1,432,518
CHILDRENS SERVICES					
14	Looked after children and Family Contact costs - increased demand on the service.	Corporate Parenting	2,100,000	2,100,000	2,100,000
TOTAL			2,100,000	2,100,000	2,100,000
FINANCE AND PERSONNEL					
15	Reduction in incentive grant relating to Housing Benefits following improvement in performance	Benefits	25,000	25,000	25,000
16	Reducing income relating to Housing Benefit overpayment	Benefits	40,000	40,000	40,000
17	Revenues: Recovery of court cost income - as council tax collection rate improves, less people default, reducing income from court costs	Revenues	52,000	52,000	52,000
18	To fund additional staff to follow up on council tax debts greater than 2 years old. It is anticipated that this will result in additional income to the Collection Fund from the successful recovery of debts.	Revenues	50,000	50,000	50,000
19	Electoral services: Collection of personal identifiers from absent voters - Section 14 of Electoral Administration Act 2006 introduced this collection of data - first obtained in January 2007. s60A of Representation of People Regulations 2000 was subsequently amended to require collection of data every 5 years. First renewal exercise has to commence in January 2012, and every January thereafter for update.	Electoral Services	20,000	9,000	6,000
TOTAL			187,000	176,000	173,000
BUSINESS SUPPORT					

REF	COST PRESSURES	SERVICE AREA	ANNUAL PRESSURE		
			2011/12	2012/13	2013/14
			£	£	£
20	ICT: Annual payment to the government for use of secure gateway (previously subsidised). This is a network connection for the Department of Work and Pensions to transfer data securely	Shared Services & Procurement	25,000	25,000	25,000
21	Sponsorship income shortfalls	Communications	55,000	55,000	55,000
22	Supporting capacity in the Working Smarter programme to ensure delivery of savings in 2011/12 and beyond	Shared Services & Procurement	550,145	550,145	550,145
TOTAL			630,145	630,145	630,145
COUNCIL WIDE CORPORATE COMMITMENTS					
23	Carbon Management - new mandatory emissions trading scheme that came into force on 1 April 2010. The scheme requires the Council to purchase carbon allowances each year to cover our carbon emissions from all sites the Council occupies or owns including schools and academies. The CSR announced changes to the timing of these payments, which will now be a double purchase in April 2012 for both 2011/12 and 2012/13. The 2011/12 provision will be held back for payment in April 2012. Future years allocations predict an increase in the cost of allowances by tonne.		500,000	1,111,000	833,000
TOTAL			500,000	1,111,000	833,000
TOTAL SERVICE COST PRESSURES			5,754,718	6,204,718	5,923,718

BUDGET 2011/12 +

OPERATIONAL SAVINGS - FOR INFORMATION

REF NO	WORKING SMARTER - SAVING DESCRIPTION	SERVICE AREA	ANNUAL GROSS SAVING		
			2011/12	2012/13	2013/14
			£	£	£
LEISURE, CULTURE & ENVIRONMENT					
Restructuring					
1	Street pride management and supervision re structure	Street Pride	160,000	160,000	160,000
2	Streamlining delivery through the reduction in support staff within creative development team	Libraries & Arts	25,680	25,680	25,680
3	Rationalisation of Walsall Museum - removal of education officer post, visitor assistants posts, temporary exhibitions, reduce hours assistant curator (leather museum).	Libraries & Arts	58,356	62,821	62,821
4	Deletion of vacant post, closure of laboratory and staff reduction within pollution control service.	Engineering & Transportation	101,996	144,042	144,042
5	Reduction in labour costs associated working smarter initiatives 2 FTE posts within waste, 3 FTE posts within street cleansing (agency sweeper driver, 2 man cleansing team).	Street Pride	75,000	75,000	75,000
6	Efficiencies within waste services - improvements in trade waste collection service, reduction of overtime due to zonal working and annualised hours agreement, reduction in agency staff due to reduction in sickness levels.	Street Pride	124,000	124,000	124,000
7	Reduced provision of canteen facility when depot relocated to Pelsall Road	Street Pride	36,000	36,000	36,000
8	Removal of vacant music posts from Forest Arts Centre	Libraries & Arts	104,333	104,333	104,333
Review of operational budgets					
9	Review of security and maintenance contracts at New Art Gallery	Libraries & Arts	71,774	71,774	71,774
10	Operational efficiencies within leisure centres	Leisure & Community Health	30,000	30,000	30,000
11	Reduction in waste arisings and gate fees	Street Pride	467,500	467,500	467,500
12	Re-organisation of grounds maintenance activities	Street Pride	214,319	214,319	214,319
13	Depot relocation savings - closure of Aldridge stores, consolidation of supplies and services budgets	Street Pride	53,000	53,000	53,000
14	Reduction in running costs and leasing costs, as a result of a reduction in vehicle numbers, associated with working smarter initiatives	Street Pride	67,000	67,000	67,000
15	Reduction in consumable expenditure in the NVQ centre linked to the college sustainability programme	Walsall Adult & Comm College	1,167	1,167	1,167
16	Restructure of the Library Service	Libraries & Arts	180,000	180,000	180,000
Fees and charges increases					
17	Increase income generated from schools for Forest Arts Centre music.	Libraries & Arts	23,661	23,661	23,661
TOTAL			1,793,786	1,840,297	1,840,297
COMMUNITIES AND PARTNERSHIPS					
Restructuring					
18	Staffing restructure within Walsall Partnerships, Working Neighbourhood Fund (WNF) management and strategic intelligence.	Walsall Partnership	150,000	150,000	150,000
19	Reduction in sampling to concentrate on responses to complaints and dealing with local traders, collaborating with other trading standards authorities in the region, where appropriate to provide efficiencies.	Public Safety	49,053	49,053	49,053
20	Rationalise structure combining vacant posts in licensing and reduced hours to enable 2 vacant posts to be deleted (currently covered by agency staff), some regrading and part post deletions.	Public Safety	51,965	51,965	51,965
21	Restructure service deleting the role of head of service, reviewing the number of team leaders and other staff to enable close integration with area partnerships and to allow feasibility of shared services with other black country authorities to be investigated.	Public Safety	183,786	183,786	183,786
22	Through service restructuring, combination of environmental health functions into locality team linked to anti social behaviour (ASB), reassurance and neighbourhood management. Review posts and responsibilities to provide greater flexibility including those of disinfestation and dog warden services.	Public Safety	85,139	85,139	85,139

REF NO	WORKING SMARTER - SAVING DESCRIPTION	SERVICE AREA	ANNUAL GROSS SAVING		
			2011/12	2012/13	2013/14
			£	£	£
23	Restructuring the service to accommodate the business support function, and combined with broader support services for public safety. Net of new contribution for admin support from emergency planning the proposal will amalgamate officers from across the service who have a supporting role for service delivery. Delete various posts and regrade others.	Public Safety	39,119	39,119	39,119
Review of operational budgets					
24	Miscellaneous savings in controllable expenditure (legal database, trading standards interlink, equipment required to be in calibration, and reductions in training)	Public Safety	16,000	16,000	16,000
Fees and charges increases					
25	Generation of new income from shared emergency planning service with Sandwell, net of additional costs associated with developing the service.	Public Safety	12,000	12,000	12,000
TOTAL			587,062	587,062	587,062
TRANSPORT					
Restructuring					
26	Following LEAN review of the reactive highways maintenance service with the outcome of deleting vacant posts and restructure.	Engineering & Transportation	83,352	100,022	100,022
27	Restructure of service within engineers - removal of 8 posts and service efficiencies	Engineering & Transportation	237,297	263,145	263,145
Review of operational budgets					
28	Reduction in highways contractual works budget following LEAN review which identified efficiencies in working practices.	Engineering & Transportation	200,000	200,000	200,000
TOTAL			520,649	563,167	563,167
REGENERATION					
Restructuring					
29	Removal of 2 area planning manager posts and the creation of 1 development management manager post at the same grade to lead the teams and the redesignation of the role of team leader posts as part of a restructure of development management.	Planning & Building Control	57,503	57,503	57,503
30	Removal of 2 senior planning officer posts as part of a restructure of development management. An element of the saving will be re-invested in the new structure and therefore is reflected in the saving offered up.	Planning & Building Control	29,578	29,578	29,578
31	Removal of 2 principal building inspector posts as part of a restructure within the building control service. Posts are 35% revenue 65% fee funded, therefore only the revenue element forms the saving.	Planning & Building Control	30,506	30,506	30,506
32	Removal of 1 senior building inspector post as part of a restructure within the building control service. Post is 35% revenue 65% fee funded, therefore only the revenue element forms the saving.	Planning & Building Control	12,643	12,643	12,643
33	The removal of the senior technical support officer building control and the creation of 1 building control supervisor post at a lower grade. Post is 33% revenue 67% fee funded, therefore only the revenue element forms the saving.	Planning & Building Control	3,240	3,240	3,240
34	Removal of 1 building control technical support officer post. Post is 35% revenue 65% fee funded, therefore only the revenue element forms the saving.	Planning & Building Control	7,961	7,961	7,961
35	Following the decentralisation of business support staff from the resources directorate and as part of a service redesign which includes the regeneration technical support team (central admin) to create one directorate business support service resulting in the removal of 8 posts across existing business support staff and regeneration technical support staff (central admin).	Planning & Building Control	50,753	50,753	50,753
36	Removal of 1 development management technical support post in the technical development & support service	Planning & Building Control	24,126	24,126	24,126
37	The removal of the team leader land charges/technical support post as part of a restructure and the creation of 1 local land charges supervisor post at lower grade to supervise land charges team.	Planning & Building Control	10,149	10,149	10,149
38	Removal of vacant policy & performance officer post within the housing strategy & partnerships team and permanent integration of functions within other post holder responsibilities.	Housing Services	33,145	33,145	33,145
39	Removal of 1 building surveyor post in property services as part of service review.	Property Services	35,016	35,016	35,016
40	Ring fenced recruitment to design & project manager team manager post (currently vacant) to the design & project management post holders, following this the removal of the successful candidates post as part of service review.	Property Services	33,079	33,079	33,079
41	Removal of vacant strategic regeneration framework team leader post within the development and delivery service as part of service review.	Development & Delivery	47,986	47,986	47,986

REF NO	WORKING SMARTER - SAVING DESCRIPTION	SERVICE AREA	ANNUAL GROSS SAVING		
			2011/12	2012/13	2013/14
			£	£	£
42	Removal of vacant regeneration assistant (conservation) post within the development and delivery service as part of service review.	Development & Delivery	21,229	21,229	21,229
Review of operational budgets					
43	Pooling of all revenue property maintenance budgets across the council would enable a £100k reduction in property management initiative (PMI)	Property Services	100,000	100,000	100,000
44	Removal of external training budget within the housing standards & improvement service	Housing Services	4,000	4,000	4,000
45	Reduction in general office expenses within the housing standards & improvement service	Housing Services	3,000	3,000	3,000
46	Removal of payments to contractors for external works	Housing Services	3,000	3,000	3,000
47	Reduction in consultants fees used to fund housing stock condition surveys within the housing standards & improvement service	Housing Services	3,000	3,000	3,000
48	Reduction in partnership activity/ events with third sector within the housing strategy & partnerships service.	Housing Services	24,546	24,546	24,546
49	Rationalisation of supplies and services budget within the housing service	Housing Services	12,526	12,526	12,526
50	Lease release - previous investment no longer required (funded via capital instead)	Property Services	63,800	63,800	63,800
51	Efficiency savings arising from the demolition of property	Property Services	30,000	30,000	30,000
52	Removal of overtime allowance budgets within facilities management service	Property Services	24,381	24,381	24,381
53	Rationalisation in supplies and services and transport expenses budgets within the development & delivery service	Development & Delivery	6,000	6,000	6,000
54	Reduction in supplies and services budget within the planning & building control service	Planning & Building Control	1,600	1,600	1,600
TOTAL			672,767	672,767	672,767
SOCIAL CARE AND HEALTH					
Restructuring					
55	Realignment of the assessment and care management service and redesign of provider services to promote independence amongst service users and ensure stronger partnership working between these two areas to reduce duplication of support roles/work.	Access, Assessment & Care Mgt	3,000,000	3,000,000	3,000,000
Review of operational budgets					
56	Development of the external / voluntary sector community meals market within Walsall, and decommissioning of current Sedexo contract from July 2011 as approved by Cabinet on 13.10.10.	Joint Commissioning	278,000	378,000	378,000
57	Review of Housing 21 (H21) homes to develop multi disciplinary units. Targeting of expensive learning disability/physical disability clients, suitable for support via an extra care Housing 21 placement, to move to the mulit disciplinary units to achieve an overall cost reduction/saving. Gross saving will be offset by costs for rehousing elderly clients who would have potentially moved to H21 placements.	Joint Commissioning	255,000	255,000	255,000
TOTAL			3,533,000	3,633,000	3,633,000
CHILDRENS SERVICES					
Restructuring					
58	Reduction in youth justice services management costs as part of Integrated Young People Support Service (IYPSS) service redesign and focus on targeted support which will strengthen the role of senior practitioners.	Integrated Young People Support	74,000	74,000	74,000
59	Implementation of next phase of IYPSS service redesign maximising working smarter principles, which will increase focus on targeted youth support (TYS) for most vulnerable groups of young people.	Integrated Young People Support	435,000	435,000	435,000
Review of operational budgets					
60	Reduction in spend on activity within the teenage pregnancy/conception reduction programme.	Integrated Young People Support	65,000	65,000	65,000
61	Review of activities for young carers	Integrated Young People Support	10,000	10,000	10,000
62	Reduction in overall commissioning resource. Commissioning resource currently consists of the council core budget and positive activities for young people (PAYP) activities grant fund which supports the provision of the young peoples positive activities programme.	Integrated Young People Support	45,000	45,000	45,000
TOTAL			629,000	629,000	629,000
FINANCE AND PERSONNEL					
Restructuring					
63	Restructure programme within revenues service.	Revenues	53,000	167,500	167,500

REF NO	WORKING SMARTER - SAVING DESCRIPTION	SERVICE AREA	ANNUAL GROSS SAVING		
			2011/12	2012/13	2013/14
			£	£	£
64	Home working - this is expected to increase productivity by 10% which will result in staff reduction arising from increased productivity of remaining staff. (Capital bid of £150,000 has been submitted to support this)	Benefits	0	120,000	120,000
65	Reduction in benefits business development team 0.5 FTE	Benefits	15,478	15,478	15,478
66	Enhanced use of telephone systems to improve service delivery rather than requiring staff visits. (Capital bid has been submitted to support this as part of the new operating model for support services)	Benefits	0	31,016	31,016
67	Delivering the new operating model (delivering right, fast and simple) for support services which entails more online resolution, more management accountability and a greater customer focus. This enables streamlining of staff resources needed over time resulting in total savings of £984k in yr 1, £1.383m in yr2 and £1.655m in yr3 onwards. Details are shown below of the individual proposals.	See below			
67A	Implementation of finance restructure in response to finance direct: Reductions in post numbers to reflect managers taking on more direct responsibility for managing their own budgets - supported by improved self-service, on line reporting and forecasting tools, customer contact centre, supported by training. Reducing the need for lower level finance support. Support will be on providing focussed, more added value support to directorates, improved customer relationship management, whilst ensuring S151 responsibilities and financial governance is maintained at the highest level.	Finance	254,000	254,000	254,000
67B	Net saving following previous reorganisation in equalities.	Human Resources & Development	14,276	14,276	14,276
67C	Realignment of work within legal services team following reduction in demand.	Legal	47,000	47,000	47,000
67D	Restructure within human resources.	Human Resources & Development	669,000	1,068,000	1,340,000
Review of operational budgets					
68	Reduction of paid overtime	Benefits	0	2,482	65,000
69	Reduce housing benefit bad debt	Benefits	24,000	24,000	24,000
70	Overpayment incentive - can claim 100% grant from DWP against overpayment errors if this figure is kept below DWP targets.	Benefits	150,000	150,000	150,000
TOTAL			1,226,754	1,893,752	2,228,270
BUSINESS SUPPORT					
Restructuring					
71	Delivering the new operating model (delivering right, fast and simple) for support services which entails more online resolution, more management accountability and a greater customer focus. This enables streamlining of staff resources needed over time resulting in savings of £942k a year. Details are shown below of the individual proposals.	See below			
71A	Reduction in posts as a result of implementing the outcomes of the finance direct programme within finance administration	Shared Services & Procurement	220,000	220,000	220,000
71B	Remove a vacant post and reduction in marketing budget.	Communications	32,000	32,000	32,000
71C	Improved customer focus of business support and reduce bureaucracy.	Shared Services & Procurement	156,000	156,000	156,000
71D	Disband of peripatetic administration team.	Shared Services & Procurement	108,000	108,000	108,000
71E	Integration of current activity within business solutions, programme delivery and performance management. This will include the consideration of a shared intelligence function with key public service partners.	Business Solutions	338,184	338,184	338,184
71F	Re-organisation of roles and responsibilities regarding the function of procurement throughout the council.	Shared Services & Procurement	50,000	50,000	50,000
71G	Staffing reduction and changing the activities of the print and design team to make greater use of existing resources and deliver the same levels of service.	Shared Services & Procurement	30,000	30,000	30,000
Review of operational budgets					
71H	Reduction in marketing and supplies and services budgets	Communications	8,000	8,000	8,000
TOTAL			942,184	942,184	942,184
TOTAL OPERATIONAL SAVINGS - FOR INFORMATION			9,905,202	10,761,229	11,095,747

BUDGET 2011/12 +

EXECUTIVE SAVINGS OPTIONS - FOR CONSULTATION

REF NO	WORKING SMARTER - SAVING DESCRIPTION	SERVICE AREA	ANNUAL GROSS SAVING		
			2011/12	2012/13	2013/14
			£	£	£
LEISURE, CULTURE & ENVIRONMENT					
1	Cease direct council operation of Bentley leisure pavilion and consideration of extending management options with the 3rd sector. Football pitches will continue unaffected.	Leisure & Community Health	50,000	50,000	50,000
2	Closure of New Art Gallery on Sundays and bank holidays enabling a saving on staff and utilities.	Libraries & Arts	40,058	40,058	40,058
3	Remodelling of library service to reflect social and technological changes, including closer partnerships with the local community to deliver services and the introduction of self service facilities to streamline delivery and release future savings. This will result in fewer libraries directly run by the council, but with longer opening hours in those remaining.	Libraries & Arts	0	673,874	673,874
4	Rationalisation of Local History Centre - reduction in the number of posts, opening hours, conservation of and work on collections, outreach work, income generation and general efficiencies.	Libraries & Arts	62,947	62,947	62,947
5	Reduction in the business support team	Leisure & Community Health	20,000	60,000	70,000
6	Rationalisation of green spaces services - staffing and operational budgets (5 posts yr1, +1 post yr 2 and 3).	Leisure & Community Health	130,829	151,658	172,487
7	Redesign the sports development team with minor reduction in programme.	Leisure & Community Health	80,000	80,000	80,000
8	Increase in bereavement fees & charges; 4.5% (£90k) in year 1, 3% (£60k) in year 2 and 3.25% (£65k) in year 3	Leisure & Community Health	90,000	150,000	215,000
9	Cease direct council operation of creches at Oak Park and Bloxwich Leisure Centres, and consideration of extending management options with other service sectors	Leisure & Community Health	10,000	10,000	10,000
TOTAL			483,834	1,278,537	1,374,366
TRANSPORT					
10	Introduction of charges for parking dispensations and increase in costs of residents parking permits (Cabinet report on various options will be presented at its meeting on 15 December, report already presented to scrutiny).	Engineering & Transportation	9,500	9,500	9,500
TOTAL			9,500	9,500	9,500
REGENERATION					
11	Closure of Darlaston market - resulting in the removal of agency staff and from negotiating out of the waste removal, energy, and stall erection contracts. The current service is not cost neutral hence a saving will be achieved from the closure.	Development & Delivery	20,000	20,000	20,000
12	Introduce charging policy for pre-application advice within the planning service.	Planning & Building Control	12,500	12,500	12,500
TOTAL			32,500	32,500	32,500
SOCIAL CARE AND HEALTH					
13	Development of the external / voluntary sector transport market within Walsall, and decommissioning of current transport contracts.	Joint Commissioning	100,000	100,000	100,000
14	Review of charging areas across the directorate, introduction of a benefits based charging system, and review / maximisation / introduction of other charging areas to bring Walsall in to line with other authorities both nationally and within the West Midlands.	Joint Commissioning	3,500,000	3,500,000	3,500,000
TOTAL			3,600,000	3,600,000	3,600,000
CHILDRENS SERVICES					
15	Negotiate reduction in overall value of the contract for delivery of information, advice and guidance services with Prospects.	Integrated Young People Support	75,000	75,000	75,000
16	Projected savings as part of the council review of essential car user allowance. Changes to essential car user allowance will provide the savings identified within youth offending budget.	Integrated Young People Support	28,000	28,000	28,000
17	Negotiate reduction in cost of education services contract with Serco.	Education	2,500,000	2,500,000	2,500,000
TOTAL			2,603,000	2,603,000	2,603,000
TOTAL EXECUTIVE SAVINGS OPTIONS - FOR CONSULTATION			6,728,834	7,523,537	7,619,366