

Cabinet – 13 December 2017

Draft Capital Programme 2018/19 to 2021/22 and Draft Revenue Budget Update

Portfolio: Councillor S. Coughlan – Leader of the Council (Lead Portfolio)

Related Portfolios: All

Service: Finance – council wide

Wards: All

Key decision: No

Forward plan: No

1. Summary

- 1.1 This report provides an update to the four year draft revenue budget previously reported to Cabinet on 25 October 2017, and includes the draft capital programme for the period 2018/19 to 2021/22.
- 1.2 Draft revenue savings proposals have previously been distributed to overview and scrutiny committees for consultation. The final budget, including any changes following consideration of consultation feedback and equality impact assessment, and following receipt of final allocations of government funding, will be presented to Cabinet on 14 February 2018 for recommendation to Council, and will be considered by full Council on 28 February 2018.
- 1.3 This report includes the recommendations from each overview and scrutiny committee on draft revenue budget saving proposals.
- 1.4 The Chancellors Autumn Budget was announced on 22 November 2017 and funding implications arising from this announcement, as far as they are known, are included in this report.
- 1.5 The draft capital programme for 2018/19 totals £92.59m. It sets out new capital investment funded from the council's own resources of £24.53m (funded by capital receipts and borrowing) and externally funded schemes of £68.06m (funded by capital grants) and represents a balanced programme for 2018/19. In addition, the report sets out a further three years of indicative proposals for 2019/20 to 2021/22.
- 1.6 Despite reductions in capital funding in recent years and going forward, the draft capital programme contains 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.

2. Recommendations

Cabinet are requested to:

- 2.1 Note the financial assumptions and projections within the draft budget, the uncertainty around final funding and that these assumptions may change as the budget is finalised.
- 2.2 Note that the Draft Revenue Budget and Efficiency Plan 2017/18 – 2020/21 is currently out for consultation.
- 2.3 Note the withdrawal of saving proposal 17, 'Introduce charging for garden waste collection' following Cabinet's consideration of consultation feedback on 25 October 2017, and the alternative savings outlined in section 3.1.2.
- 2.4 Approve funding of c£150k to seek external support to undertake a stock take of the council, to inform the medium term financial plan and Transformation Programme going forward as set out in section 3.1.3.
- 2.5 Approve the passporting of grant as set out in section 3.1.4.
- 2.6 Note the publication of the Chancellor's Autumn Budget on 22 November and the financial implications for the Council, whilst noting that there is no major impact on the draft budget, as set out in section 3.2.
- 2.7 Note the feedback from overview and scrutiny committees on revenue proposals to date and consider this feedback in preparation for final budget recommendations in February (Appendices 2a-2c).
- 2.8 Approve as a basis for consultation the current draft capital programme of £92.59m for 2018/19, and refer the draft capital programme to all overview and scrutiny committees for consultation to enable their comments to be considered by Cabinet on 14 February 2018.
- 2.9 Approve an amendment to the 2017/18 capital programme to fund CCTV cameras as set out in section 3.3.
- 2.10 Approve the award of a 12 month contract extension, from 1 July 2018 to 30 June 2019, to Midland Software Limited, for the provision of a human resources management system, with the option to extend for a further period of up to 12 months should it be necessary to ensure the delivery of the service, as outlined in section 3.4.9.
- 2.11 Approve the award of a 12 month contract extension, from 1 January 2019 to 31 December 2019, to Bramble Hub, for the provision of a financial management system, with the option to extend for a further period of up to 12 months should it be necessary to ensure the delivery of the service, as outlined in section 3.4.9.

3. Report detail

3.1 Draft Revenue Budget 2017/18 to 2020/21

3.1.1 Revenue savings proposals for 2017/18 to 2020/21 were reported to Cabinet on 25 October 2017 entitled 'Draft Revenue Budget and Efficiency Plan 2017/18 – 2020/21'. There are no new policy savings to those consulted upon as part of the 2017/18 budget setting process.

3.1.2 The budget is an evolving process, with recognition that proposals may change as the budget develops. The following summarises changes to proposal 17 following Cabinet's consideration on 25 October 2017 of the proposal to 'Introduce charging for garden waste collections' for which consultation has now closed.

- Withdrawal of the proposals to introduce a charge for garden waste collections, saving £300k, and replacing this with:
 - Provision of a reduced free garden waste service – a three weekly garden waste collection over a period of 36 weeks between March and November, saving circa £138k per annum.
 - Alternate bowling green provision - £30k saving - following agreement with third parties.
 - Additional trade waste income in excess of budget - £5k saving
 - Markets cleansing efficiencies - £20k saving
 - Planning fee increase £107k (dependent on government fee charges to be implemented from April 2018).

3.1.3 The council has established a transformation programme, with specific pieces of work being prioritised to inform the 2017/18 to 2020/21 savings plan and ensure successful delivery of a number of key savings. The programme will also establish structure and consistency in how the council approaches transformation. Cabinet are asked to approve funding of c£150k, to be funded from reserves, to seek external support to undertake a stock take of the council, to inform the medium term financial plan and Transformation Programme going forward.

3.1.4 Passporting of specific grants

Notification has been received for the following un-ringfenced grant –

- DCLG Overhauling Statutory Homelessness Data Grant - (£351,987 over 3 years (£109,339 in 2017/18, £100,155 in 2018/19, £142,493 in 2019/20). This relates to upgrading IT systems and associated training, or update of internal administrative processes, which will enable reporting of case level data on statutory homelessness once the Homelessness Reduction Act comes into force in April 2018.
- DWP Right Benefit Initiative (RBI) £82,648 – Fraud and Error Reduction
- DWP Management £17,097 - This is to support Universal Credit Implementation
- DWP Housing Benefit Natural Migration £4,721 - This is to support moving claimants from legacy benefits to UC.
- DWP Housing Benefit Debt Migration £3,199 - This is for the administrative cost of transferring details of claimant HB debt to DWP.

- DWP New Burdens £12,232 - on-going implementation of the Real Time Information (RTI) Bulk Data Matching (BDM) Initiative.
- DWP New Burdens £921.50 – Local Authority Data Service (LADS) – Universal Credit Manual Payments.

Cabinet are asked to approve the passporting of the above to Money Home Job.

3.2 Chancellor's Autumn Budget Statement 22 November 2017

3.2.1 There remains considerable uncertainty in respect of the amount of income we will receive in Government funding from 2018/19 onwards, despite Government confirmation that Walsall is part of the multi-year settlement. The Chancellor's Autumn Budget Statement was announced on 22 November 2017, and the following summarises the key issues affecting Walsall:

- Business rates - a package of support to businesses, including a switch in indexation from RPI to CPI; backdated valuations; continuation of the discount for public houses; and increase in frequency of valuations to every three years following the next revaluation due in 2020. Local Government will be fully compensated for the loss of income as a result of these measures.
- Council Tax empty homes premium – the government is keen to encourage owners of empty homes to bring their properties back into use, enabling local authorities to increase council tax premium from 50% to 100%. This will require a change to primary legislation, and therefore is not expected to be introduced until 1st April 2019.
- Universal Credit – change to the advance payments system from January 2018; removal of the seven day waiting period so that entitlement starts on the first day of application from February 2018; impact of housing benefit claims paid in the first two weeks Universal Credit claim from April 2018; easier for claimants to have the housing element of their award paid directly to their landlord.
- National Minimum Wage - will increase from £7.50 to £7.83 in April 2018.
- Potential to tap into new government funding initiatives announced -
 - New £220million Clean Air Fund - In support of the National Air Quality Plan published in July 2017. This will help Local Authorities in England with the most challenging pollution problems to help individuals and businesses adapt as measures to improve air quality are implemented.
 - National Productivity and Investment Fund (NPIF), launched last year to provide additional investment in housing, infrastructure, research and development, will increase from £23billion to £31billion.
 - New Transforming Cities Fund of £1.7billion (via the NPIF), to improve transport connectivity and support jobs across England's city regions. Half will be allocated via competition for transport projects in cities and the other half allocated on a per capita basis to the 6 combined authorities with elected mayors - £250million to West Midlands.
 - A second devolution deal with West Midlands Mayor and Combined Authority to address local productivity barriers – this includes £6million for housing delivery taskforce, £5million for a construction skills training scheme, and the £250million referred to above.
 - Capacity funding for Mayoral Combined Authorities - £12million for 2018/19 and 2019/20 to boost new mayor's capacity and resources.

- 5G mobile and full fibre broadband networks - £385million committed via the NPIF.
- Homelessness – government sets out plans to halve rough sleeping by 2022, and to eliminate by 2027, including the launch of the Homelessness Reduction Taskforce, £28million investment in 3 Housing First pilots (one in West Midlands) to support rough sleepers with the most complex needs, and £20million for schemes to support people at risk of homelessness.
- A new vehicle excise duty will apply to new diesel cars registered from April 2018.
- Local infrastructure – government have confirmed that they will lend local authorities in England up to £1billion at a new discounted interest rate of gilts, assessable for three years to support infrastructure projects. Details of the bidding process will be published in December 2017.
- Introduction of planning reforms that will ensure more land is available for housing, and that maximises potential in cities and towns for new homes, while protecting green belt.
- Educational changes -
 - Support for maths in schools - £27million to expand the successful Teaching for Mastery maths programme into a further 3,000 schools. Further reward to schools and colleges of £600 per pupil who decide to take maths or further maths A levels or core maths.
 - All secondary schools to have a fully qualified computer science GCSE teacher, by committing £84million to up-skill 8,000 computer science teachers by the end of this parliament.
 - Spring Budget announced T Levels - £20million invested to help teachers prepare for this change.
 - Teacher Development Premium – investment of £42million to address regional disparities in areas that have fallen behind, through reducing the regional skills gap.

3.2.2 Government are expected to announce details of the financial settlement to local authorities' for 2018/19 onwards in December. Should the final allocation be less than current estimates, revised options for ensuring a balanced budget will need to be brought back for Cabinet consideration as the budget develops and information is published.

3.3 Amendment to 2017/18 Capital Programme

3.3.1 Cabinet are requested to approve an amendment to the 2017/18 capital programme for the purchase of 8 CCTV cameras at a cost of c£56k, to support the council's enforcement agenda against fly tipping.

3.4 Draft Capital Programme 2018/19 to 2021/22

3.4.1 Capital programme resources are limited. The financing for capital investment is heavily reliant on grants and other funding received from the Government. The success that Walsall has had in securing a wide range of external funding may be harder to achieve as many of the sources of funding may stop or reduce.

3.4.2 The remaining flexibility is currently through capital receipts and 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.

3.4.3 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.

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

3.4.5 The capital programme is presented in three parts:

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

3.4.6 Table 1 shows the draft capital programme against predicted available resources.

Table 1 : Council funded schemes				
	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m
Anticipated Capital Resources				
Capital Receipts	1.50	1.50	1.50	1.50
Borrowing	11.84	5.43	5.40	5.40
Carry forward from 2017/18				
– Finance/HR system	0.72	0.00	0.00	0.00
Revenue contribution to capital				
– burial levy reserve (memorial safety)	0.04	0.04	0.04	0.04
– Willenhall Lane Travellers site (2 plots)	0.09	0.00	0.00	0.00
Aldridge Manor House (borrowing in advance of rental income)	4.77	0.08	0.00	0.00
ICT funding (borrowing/capital receipts)	3.90	1.95	0.00	0.00
Public Realm funding (borrowing/reserves)	1.00	1.00	1.50	0.00
Cash Flow adjustments	0.67	(0.15)	(1.32)	(2.18)
Total Council Funded Resources	24.53	9.85	7.12	4.76
External Funding	68.06	56.64	45.27	12.00
Total Estimated Resources	92.59	66.49	52.39	16.76
Capital Bids				
Rolling Programme Schemes	4.42	4.42	4.42	4.42
Prior Year Approvals	7.60	2.67	1.72	0.22
New capital bids	12.51	2.76	0.98	0.12
Total Council Funded Schemes	24.53	9.85	7.12	4.76
Externally Funded Schemes	68.06	56.64	45.27	12.00
Total Draft Capital Programmes	92.59	66.49	52.39	16.76
Funding shortfall / (surplus)	0.00	0.00	0.00	0.00

3.4.7 The list of schemes included in the draft capital programme for 2018/19 to 2021/22 are shown by Directorate in Appendix 1, and summarised in table 2 as follows:

Table 2 : Draft Capital Programme by directorate				
Directorate	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
Children's Services	26.28	15.69	7.29	6.76
Economy and Environment	52.58	42.93	40.63	5.53
<i>Change and Governance</i>	12.00	7.12	3.72	3.72
Social Care	0.98	0.00	0.00	0.00
<i>Centrally Held budgets</i>	0.75	0.75	0.75	0.75
Total draft capital programme	92.59	66.49	52.39	16.76

**Centrally held relates to funding to support essential works, including health and safety e.g. LSVT retained housing land, asbestos removal, statutory testing, legionella, fire risk, demolition of redundant buildings, planned maintenance, risk management and self insured property damage.*

3.4.8 It is predicted that all high priority bids contained in Appendix 1 for 2018/19 can be funded. A further review of proposed schemes will be required before capital allocations are released in year. For 2019/20 onwards, the full impact of these projects will be reviewed, and funding revisited as part of the rolling annual budget process. There may be a number of schemes that will require match funding in year to secure external resources, which will be reviewed in year and funds drawn down as projects are confirmed.

3.4.9 The council is currently tendering for a Cloud ERP Solution for Finance, Procurement, HR and Payroll, the expected timetable for implementing this system has HR and Payroll elements of the new system going live on 1 April 2019 and the Finance element going live on 1 September 2019. This scheme is included in the draft capital programme at Appendix 1.

Cabinet received a report on 15 June 2016 which requested approval of a 12 month extension from 1 July 2017 to 30 June 2018 of the contract with Midland Software Ltd for the provision of the human resources management system. Now the programme for a replacement system is further advanced, Cabinet are requested to approve a further 12 month extension from 1 July 2018 to 30 June 2019 of the contract with Midland Software Ltd for the provision of a human resources management system, with the option to extend for a further period of up to 12 months should it be necessary to ensure the delivery of the service. These further extensions remain within the terms and conditions of the framework used to procure the system. The annual cost of the extension will be in the order of £130,000.

The Council has a contract with Bramble Hub for the maintenance of the council's Oracle Financial system. The contract was for 2 years commencing 5th January 2015 to 31st December 2016 with an option to extend for two years (1+1). The council is just about to enter into the final year of the allowed extensions under the contract until 31 December 2018. With the finance element of the new system not expected to go live before the 1 September 2019 there is the need for the council to extend the current contract for a further 12 months until 31 December 2019, with the option to extend on a month by month basis for up to 12 months. This extension is an allowed modification to the current contract under Regulation 72 of the Public Contracts Regulations 2015. The annual cost of the extension will be in the order of £115,000.

3.4.10 Capital receipts projections are based on professional estimates of property colleagues. Any additional receipts received in year (excluding those earmarked for specific schemes) will be considered to fund projects identified on the reserve list of schemes. Reserve list schemes are referred to in Appendix 1.

3.4.11 Borrowing is funded from the council's own resources – generated through savings, and/or paid for via 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 £21.51m of additional borrowing to fund high priority items in 2018/19.

3.4.12 As well as those in the draft programme, there are a number of large capital schemes that are in development or planning stages. It is expected that as individual business cases are developed and considered by Cabinet and/or Council, they are then included in the latest update of the draft capital programme if they are deemed to be a high priority and affordable. Funding for these will need to be identified and may be through a combination of borrowing and/or other contributions. Where practical, a payback agreement will be implemented, whereby projects should, wherever possible be self funded over the life of the project and beyond. These will include essential upgrade to the Council's ICT requirements.

3.4.13 For externally funded schemes, where a bidding process is required, it is assumed the full cost of the project is met from external grant and/or third party contributions. If it becomes clear during the process that this is not the case, the project cannot proceed if the external funds cannot be sourced.

3.4.14 **Draft Leasing Programme 2018/19**

Leasing minimises the call on capital resources by spreading the acquisition cost over some years. Revenue funds are needed to finance operating leases. The 2018/19 draft leasing programme is summarised in table 3 below by portfolio and will form part of the final budget report to Cabinet. The revenue implications of the leasing programme of £1.496m for 2018/19 are already included in the draft revenue budget.

Table 3 : Draft Leasing Programme 2018/19		
Directorate	Asset cost	Revenue Leasing
	£m	£m
Economy and Environment		
Refuse Vehicles	0.160	0.481
Light Commercial Vehicles	2.557	0.564
Tractors & Agricultural Machinery	0.061	0.198
Welfare Vehicles	0.095	0.025
Equipment	0.000	0.228
Total draft leasing programme	2.873	1.496

The prudential system allows borrowing to fund the purchase of leased items. This expenditure is treated as capital expenditure and not revenue. 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, a review is undertaken of 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.

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 Corporate Plan drives the budget process which aims to support delivery of council priorities within available resources. It aims to achieve this through the delivery of efficiencies, income reviews and service reviews and redesign to redirect existing and reducing resources to areas of high council priority.

5. Risk management

- 5.1 The budget process is governed by the overarching medium term financial strategy. 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.
- 5.2 There is a significant amount of uncertainty around Government funding for 2018/19 and beyond, with a high likelihood that austerity measures will be tightened or extended. The medium term financial outlook will need to be updated once these measures are confirmed.
- 5.3 The budget is risk assessed and this is used to formulate the recommended level of contingencies and reserves. The outcome of this will be reported to Cabinet and Council in the final budget report, along with a recommended opening level of general reserves.

6. Financial implications

- 6.1 The council must set a balanced budget to meet its legal requirements.

7. Legal implications

- 7.1 There are a number of statutory requirements which must be taken into account when the Cabinet makes recommendations to Council on the council tax requirement for 2018/19.
- 7.2 The legal duty for a council's finances falls within s151 of the Local Government Act 1972. Arrangements for the proper administration of their affairs is secured by the s151 Officer (the Chief Financial Officer).

- 7.3 Under the Local Government Act 2003 (s25), 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. The council must set a budget before 11 March of each year. This will include the Chief Financial Officer's report that deals with the robustness of the budget and the adequacy of the reserves for which the budget provides, together with an assessment of risk.
- 7.4 Local Authority Accounting Panel Bulletin 77, issued by CIPFA in November 2008, outlines the guidance on reserves. Whilst this does not prescribe an appropriate level of reserves, leaving this to the discretion of individual authorities, it does set out a number of important principles in determining the adequacy of reserves. It emphasises that decisions on the level of reserves must be consistent with the council's MTFs, and have regard to the level of risk in budget plans, and the council's financial management arrangements (including strategies to address risk).
- 7.5 The collection fund and council tax base are governed by Statutory Instrument 2012 No.2914 of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. The Council is legally obliged to set the council tax base and notify the precepting authorities by 31 January each year.
- 7.6 In addition, section 114 of the Local Government Finance Act 1988 requires the Chief Financial Officer (CFO) to '...make a report ... if it appears to him that the Authority, a committee or officer of the Authority, or a joint committee on which the Authority is represented':
- a) has made or is about to make a decision which involves or would involve the Authority incurring expenditure which is unlawful,
 - (b) has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Authority, or
 - (c) is about to enter an item of account the entry of which is unlawful.
- 7.7 The CFO must make a report under s114 if, in his opinion, the expenditure of the Authority incurred or about to be incurred in a financial year is likely to exceed the income available to it to meet its expenditure. The report on the robustness of the budget estimates and the adequacy of reserves, and the budget risk assessment informing decisions on the adequacy of the level of reserves to hold, are key

8. Property implications

- 8.1 Any direct property implications as a result of service redesign and revenue savings proposals will be assessed as part of the council's strategic property review.

9. Staffing implications

- 9.1 There will be staffing implications arising from savings proposals contained within the draft budget, and consultation with employees and unions has commenced in accordance with statutory and council procedures. Approximately 158 posts are proposed to be deleted from the establishment, of which 22 are vacant. Compulsory redundancies will be mitigated as far as possible through the seeking of voluntary redundancies and through access to redeployment. Appropriate support mechanisms will be made available to all employees who are at risk of and selected for redundancy.

10. Equality implications

- 10.1 An equality impact assessment is undertaken on proposals as they develop and on the overall budget. Implications along with any required action are reported as assessments are finalised. This will give Cabinet appropriate time and opportunity to then consider any revisions required to the budget as it progresses and is finalised for inclusion in the final budget report to Cabinet on 14 February 2018.

11. Consultation

- 11.1 Section 138 of the Local Government and Public Involvement in Health Act 2007 placed a general duty on every local authority in England to take such steps as it considers appropriate to secure that representatives of local persons (or of local persons of a particular description) are involved in the exercise of any of its functions, among other things by being consulted about the exercise of the function. The 2010 Equality Act whilst not imposing a specific duty to consult, lays a requirement to have due regard to the equality impact when exercising its function.
- 11.2 Consultation is an integral part of the budget process and a wide programme of consultation is undertaken to consult and engage with a wide range of stakeholders (i.e. councillors, council tax payers, service users, and potential service users as appropriate, Non-Domestic Rate payers, voluntary and community organisations, etc.).
- 11.3 Cabinet referred all savings proposals with a direct impact on services for public consultation in October 2016 – details of which are on the ‘budget have your say’ page of the council’s website.
- 11.4 All overview and scrutiny committees have received the draft revenue budget options for consultation in respect of the portfolio of services falling within their remit, and their recommendations are reported at Appendix 2. Committees will receive and consider any revisions to the draft budget and capital programme proposals during January 2018, with further recommendations to be reported back for Cabinet to consider in producing their final budget recommendations on 14 February 2018.

Background papers: Various financial working papers.

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5 December 2017



Councillor S. Coughlan
Leader of the Council
5 December 2017

Appendices: -

- 1 Draft Capital Programme 2018/19 to 2021/22 by directorate
- 2 Feedback from Overview and Scrutiny Committees -
 - 2a Social Care and Health
 - 2b Education and Children's
 - 2c Corporate and Public Services

Appendix 1

Draft Capital Programme 2018/19 to 2021/22 by Directorate

Capital project	2018/19 £	2019/20 £	2020/21 £	2021/22 £	Source of funding
Children's Services					
Supporting transformation - Looked after children – out of borough placements. To fund increased in borough bed capacity	150,000	150,000	150,000		Council
Supporting transformation - Looked after children – 2/3 bedroomed small residential home targeted to accommodate children per year.	60,000	60,000	60,000		Council
Pinfold Centre – relocation of Children's Services Independent Review & Child Protection conference service from The Hollies	684,630				Council
Corporate parenting contact and assessment hub – relocation of 4 locations into 1	697,571				Council
Basic Need - Estimated DfE allocation	21,616,745	12,399,697	4,000,000	4,000,000	External
Devolved Formula Capital - Estimated DfE allocation	534,800	534,800	534,800	534,800	External
Capital Maintenance - Estimated DfE allocation	2,222,387	2,222,387	2,222,387	2,222,387	External
Special Provision Fund – provision for pupils with special educational needs – Estimated DfE allocation	319,229	319,229	319,229		External
Total Children's Services	26,285,362	15,686,113	7,286,416	6,757,187	
Economy and Environment					
Prior year approval - Broadway West playing fields - refurbish/improve existing changing room provision – match funding of £150k being sought from Sport England	100,000				Council
	150,000				External
Prior year approval - Walsall Town Centre Public Realm Improvements. It is proposed that the public realm across the town centre needs to be surveyed, with specific regard to the upcoming and future town centre developments	1,000,000	1,000,000	1,500,000		Council
Prior year approval - Migration of existing Urban Traffic Control analogue communication network - The communications network used to control parts of the traffic signal network has been in place for over 25 years and is based on obsolete analogue technology which is in need of replacement.	185,000				Council

Capital project	2018/19 £	2019/20 £	2020/21 £	2021/22 £	Source of funding
<i>Economy and Environment Continued</i>					
Prior year approval - Traffic Signals - Replacement of obsolete traffic signal control equipment – Prior year approval - the Council has a statutory duty to maintain all its traffic signal infrastructure and this provides a programme of planned pedestrian crossing replacements to ensure the safe and efficient movement of pedestrians	200,000	200,000	200,000	200,000	Council
Prior year approval - Provision of community dropped crossings along footways to permit access for wheelchairs, pushchairs and mobility scooters	20,000	20,000	20,000	20,000	Council
Prior year approval – Library redesign including relocation of Local History Centre to Central Library (£4.56m total, £2,16m in 2017/18 capital programme)	2,400,000				Council
Rolling programme - Memorial Safety in Walsall cemeteries - ensuring that Walsall Council complies with statutory obligations to provide a safe environment in its eight borough cemeteries	40,000	40,000	40,000	40,000	Council
Rolling Programme - Highway Maintenance Programme – Council has a legal responsibility to maintain the highway network	2,800,000	2,800,000	2,800,000	2,800,000	Council
Replacement of obsolete analogue weather stations used to provide winter service to the highway network	40,000				Council
Open water safety schemes - signage	73,650	2,000	5,000	2,000	Council
Walsall Arboretum Extension and Country Park – infrastructure improvements		190,000			Council
Invest to save – Oak Park Active Living Centre – second artificial grass pitch – match funding being sought from Football Association	150,000				Council
	300,000				External
Invest to save – Bloxwich Active Living Centre – interactive aquatics play	30,000				Council
Mobile technology implementation for Building Control	11,500				Council
Streetly Crematorium - Installation of air conditioning units and refurbishment of public toilets		215,351			Council
Replacement of obsolete fixed site speed enforcement camera infrastructure	175,000				Council

Capital project	2018/19 £	2019/20 £	2020/21 £	2021/22 £	Source of funding
<i>Economy and Environment Continued</i>					
Promotion of Community Health and Safety	120,000	120,000	120,000	120,000	Council
M6 Junction 10 road improvements in partnership with Highways England			650,000		Council
	14,260,000	14,270,000			External
Aldridge Manor House – development into a commercial opportunity for the Council to fund and own, and one that will create a rental income stream for the Council in addition to the generation of business rates and council tax	4,766,000	83,000			Council
LTP Highway Maintenance Programme – distributed by the Integrated Transport Authority to maintain our highways network	2,348,000	2,348,000	2,348,000	2,348,000	External
West Midlands Strategic Transport Plan (STP) - The programme is designed to address road safety issues, progress the Council's major scheme aspirations; and resource 'local contributions' to approved major schemes	1,283,000				External
Growth Deal - The Growth Deal will create the skills, connections and locations for further high value manufacturing success and support growth in the Black Country's automotive, aerospace and construction sectors	19,527,429	19,044,119	32,948,081		External
National Productivity Investment Fund Programme for junction and cycling improvements	2,601,500	2,601,500			External
Willenhall Memorial Park artwork – external funding being sought from Heritage Lottery England	1,200				External
<i>Total Economy and Environment</i>	52,582,279	42,933,970	40,631,081	5,530,000	
<i>Change and Governance</i>					
Rolling Programme - Aids and Adaptations, Preventative Adaptations and Supporting Independence – Assists households to maintain greater independence and live in their homes for longer through providing low cost adaptations, and assistance with community projects to enable residents to access local services. Supports the statutory requirement to provide disabled facility grants (lifts, hoists)	750,000	750,000	750,000	750,000	Council

Capital project	2018/19 £	2019/20 £	2020/21 £	2021/22 £	Source of funding
Disabled Facilities Grant – this project directly supports the council's statutory requirement to provide disabled facility grants (DFGs). The project has a direct positive impact on the number and subsequent varied costs to the council from the increasing level of demand for home adaptations.	2,145,000	2,145,000	2,145,000	2,145,000	External
Rolling Programme - Health through warmth – continuation of project up to March 2020 – to help provide a safety net for those who can't access other funding sources, available as a loan charged on the property that is repaid upon sale or relevant transfer of their home.	75,000	75,000	75,000	75,000	Council
Prior year approval - Essential Microsoft upgrades and foundation for Office 365	225,000				Council
Prior year approval - Procurement of system for Human Resources management and Oracle financials	2,100,000	1,400,000			Council
Prior year approval - Service improvement for single mobile device management solution (in-tune platform technology)	51,000	51,000			Council
Prior year approval - Civic Centre heating	600,000				Council
Prior year approval - Redesign of school kitchens to meet health and safety, food and fire regulations	250,000				Council
Prior year approval - CCTV upgrade to equipment	250,000				Council
Walsall Council House – modern secure reception	106,000				Council
Maintaining a safe and secure environment - review of ICT infrastructure	3,901,000	1,949,000			Council
Darlaston Town Hall – asbestos and fire safety works	99,900				Council
Walsall Town Hall – roofing repair system	61,500				Council
High level parapet wall – Sneyd, Vernon Way	94,350				Council
Implementing the ICT strategy to support the Council's Transformation Programme	455,000				Council
Willenhall Lane travellers site - redesign to create 2 additional plots	85,000				Council
Integrated Community Equipment Store – purchase of specialised equipment as part of Better Care Fund	750,000	750,000	750,000	750,000	External
Total Change and Governance	11,998,750	7,120,000	3,720,000	3,720,000	

Capital project	2018/19 £	2019/20 £	2020/21 £	2021/22 £	Source of funding
<i>Social Care</i>					
Prior year approval - Mosaic Phase 3 implementation of social care case management system – roll out of financials and management of change	223,085				Council
Adult Social Care and Children’s Services Mobile Working	753,537				Council
<i>Total Social Care</i>	<i>976,622</i>	<i>0</i>	<i>0</i>	<i>0</i>	
<i>Centrally held budgets</i>					
Funding to support essential works including health and safety, and other projects that cannot be programmed at start of year e.g. Asbestos removal, statutory testing, legionella, fire risk, statutory testing of buildings, demolition of redundant buildings, general repair and maintenance	750,000	750,000	750,000	750,000	Council
<i>Total Centrally Held budgets</i>	<i>750,000</i>	<i>750,000</i>	<i>750,000</i>	<i>750,000</i>	
Total Draft Capital Programme	92,593,013	66,490,083	52,387,497	16,757,187	

The following summarises the reserve list of schemes, which will be released in year subject to funding being confirmed and linked to council priorities:

- Further provision for Aids and Adaptations / Preventative Adaptations and Supportive Independence as required
- Further provision for Health Through Warmth – tackling fuel poverty as required
- Work required following investigation on drainage at North Walsall Cemetery
- Hatherton Road Multi-storey car park development of demolition plan

Draft Revenue Budget and Efficiency Plan 2017/18 – 2020/21

Recommendations of the Social Care and Health Overview and Scrutiny Committee following Budget Consultation

Summary of report

This report presents the comments and recommendations from the Social Care and Health overview and scrutiny committee following consideration of the draft revenue budget options for consultation for 2017/18 to 2020/21 at the committee's meeting on 26 October 2017. The committee received a further presentation, at its meeting on 28 November 2017; on the impact of the reduction in the budget for addiction services. This will enable consideration by Cabinet on 13 December 2017.

All overview and scrutiny committees have received the draft revenue budget options for consultation in respect of the portfolio of services falling within their remit.

It is to be noted that the Committee were asked to note that all 2018/19 and 2019/20 policy savings shown in appendix 1 of the report have all previously been consulted on as part of the 2017/18 budget setting process and that feedback from this Committee was taken into account at that point in time.

Any changes to these options, following consultation, along with the draft capital programme, will be reported to a future meeting of the Committee, providing an opportunity to make further recommendations to Cabinet. Cabinet are requested to consider the feedback contained within this report in formulating their draft budget proposals.

Response to the draft budget options

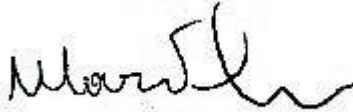
It was noted that the Committee highlighted concerns in relation to savings reference 41 in the 2016/17 budget consultation which related to the reduction in budget for addiction services. Further detail on the impact of the reduction of addiction services was considered by the Social Care and Health Committee on 28 November 2017. The Committee expressed concern about the significant social and human cost of the reduction in addiction services to individuals and their families, and also the pressure that a reduction in the service may place on the public sector. It was noted at the meeting that this pressure extended to, and was not limited to, the Local Authority, the Police, Health partners and the Crime and Justice System. In conclusion the impact of addiction on the community was felt to be significant and therefore prevention services should be prioritised in all future budget setting processes.

The Committee Resolved:

- 1. That the draft revenue budget and efficiency plan 2017/18 – 2020/21 be noted.**
- 2. The presentation on addiction services, considered by the Social Care and Health Committee on 28 November 2017, is forwarded to Cabinet, who are asked to reconsider the proposal due to the wide ranging impact of the budget reduction for addiction services, in particular on the number of Looked after Children.**

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Signed:



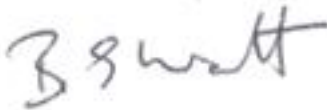
Councillor. M Longhi
Chair, Social Care and Health Overview and
Scrutiny Committee

Signed:



Paula Furnival
Executive Director
Adult Social Care

Signed:



Barbara Watt
Director of Public Health

Draft Revenue Budget and Efficiency Plan 2017/18 – 2020/21

Recommendations of the Education and Children's Services Overview and Scrutiny Committee following Budget Consultation

Summary of report

This report presents the comments and recommendations from the Education and Children's Services Overview and Scrutiny Committee following consideration of the draft revenue budget options for consultation for 2017/18 to 2020/21 at the Committee's meeting held on 21 November 2017. This will enable consideration by Cabinet on 13 December 2017.

All overview and scrutiny committees have received the draft revenue budget options for consultation in respect of the portfolio of services falling within their remit.

It is to be noted that the Committee were asked to note that all 2018/19 and 2019/20 policy savings shown in appendix 1 of the report have all previously been consulted on as part of the 2017/18 budget setting process and that feedback from this Committee was taken into account at that point in time.

Any changes to these options, following consultation, along with the draft capital programme, will be reported to a future meeting of the Committee, providing an opportunity to make further recommendations to Cabinet. Cabinet are requested to consider the feedback contained within this report in formulating their draft budget proposals.

Response to the draft budget options

Children's Services and Education Portfolio - Policy

Saving 6 - Review demand for SEN transport. More provision of Special School Places will reduce transport and existing travel costs

Members questioned what guarantee there is that there will not be a negative effect on vulnerable children through such a reduction. It was noted that whilst such transport is provided for vulnerable children and that it has to be well thought through, it is also desirable for young adults with learning difficulties such as autism to begin to become more independent, so that they can start to use public transport. Members highlighted the problems that had been experienced by some parents due to changes to the criteria/provision, which meant that some children had either missed the start of the school day or had been unable to attend school.

Savings 9/10 - Reduction of spend on Looked after Children including those in Out of Borough Placements and reduced LAC numbers and costs

Members sought clarification on the accuracy and calculation of the figures and the degree of confidence that money would be saved by bringing in children who are out-of-Borough placements. It was noted that the number of looked after children has increased from 620 to 668 and there is a different cost for every child, although an average cost is used for

calculations; however, any cost savings will have to ensure that the right decision is made for each of the children concerned. Savings would be made in respect of three workstreams, namely foster care, residential care (by reducing the number of children being cared for outside of the Borough) and by reducing the number of looked after children.

Saving 11 - Review and reduce Children's Social Care contact service

Members questioned why it is proposed that this service be reduced. It was noted that the achievement of any savings should not mean that any child received less contact time than they should have otherwise had. Also emphasised was the desirability, where possible, for children to have a single point of contact.

Saving 90 - Reduce administrative support – Children's wide

Members questioned why administrative support is being reduced and what will happen in the future as a consequence of this. The importance of administrative support was recognised, and it was noted that the aim is to ensure that all children remained safe but, as savings have to be found, there will be a thorough review of such support and targeting to ensure it is provided in the right places.

Saving 91 - Review and reduce Early Help 0-19 model

Members questioned why a review and reductions were proposed in terms of this model. It was noted that as part of the new contract for 0-19 locality services, it is anticipated that it could be possible to achieve efficiencies due to the introduction of new approaches.

Saving 93 - Review demand for SEN short breaks

Members expressed concern regarding the impact on families of any reduction to the provision of SEN short breaks, given that demand for this is increasing, as this could be especially detrimental to those parents already struggling. Members enquired whether any form of respite will be available, and what the impact/risk assessment is for this, given that any economies will have to be offset against the possibility of these children having to access full-time care. That the short-term costs should be offset against the long-term gains to be made was also noted. Any decisions would be based on a detailed review of current services and future models of delivery.

Saving 95 - Reduce agency social workers

Members questioned whether this is achievable given the workload demands in the Children's Services Directorate. Members noted, however, that it is a Walsall Council policy not to rely on agency or temporary staff but recognised that it might be necessary in certain circumstances. The intention is to replace these workers with permanent staff.

Saving 97 - Review and reduce Children's Social Care Workforce Training & Practice Development

Members were of the view that the offer of development and training was integral to recent improvements in the success of the recruitment process for social workers, as the Council wanted prospective employees (especially those from outside of the area) to see Walsall as an attractive place to work and live. This was being carried out in conjunction with the steps to reduce the caseload for social workers.

Saving 99 - Review and reduce Children's Youth Justice Services or Identify Alternative contributions.

Members noted that when reductions had been made to the Youth Service there had had a number of unforeseen consequences and problems, both for the Council and other agencies. With these ongoing reductions, there were concerns that there would be a continuation of these consequences and problems.

Children's Services and Education Portfolio - investment/cost pressures

Further to the increase in costs relating to changes in demographics, which were expected to increase from £1.6m in 2018/19 to £2m in 2019/20 and 2020/21, it was noted that this was due to increases in the number of children who were coming into placements and whom is was found required further support.

In relation to the number of unaccompanied asylum seeking children (UASC) placement and wrap around support costs, Members sought assurance that the savings indicated could be achieved.

Having regard to the removal of the Police and Crime Commissioner contribution, Members noted that there was uncertainty as to whether this contribution would continue to be made after 2018/19.

The Panel Resolved:

1. The Committee considered the draft budget proposals relating to its remit.
2. The Committee noted that all 2018/19 and 2019/20 policy savings had all previously been consulted on as part of the 2017/18 budget setting process and that feedback from the Committee was taken into account at this point in time.

Author

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Signed:



Councillor Chris Towe
Chair, Education and Children's Services
Overview and Scrutiny Committee

Signed:



Sally Rowe
Executive Director
Children's Services

Draft Revenue Budget and Efficiency Plan 2017/18 – 2020/21

Recommendations of the Corporate and Public Services Overview and Scrutiny Committee following Budget Consultation

Summary of report

This report presents the comments and recommendations from the Corporate and Public Services Overview and Scrutiny Committee following consideration of the draft revenue budget options for consultation for 2017/18 to 2020/21 at the Committee's meeting on 23 November 2017. This will enable consideration by Cabinet on 13 December 2017.

All Overview and Scrutiny Committees have received the draft revenue budget options for consultation in respect of the portfolio of services falling within their remit.

It is to be noted that the Committee were asked to note that all 2018/19 and 2019/20 policy savings shown in appendix 1 of the report have all previously been consulted on as part of the 2017/18 budget setting process and that feedback from this Committee was taken into account at that point in time.

Any changes to these options, following consultation, along with the draft capital programme, will be reported to a future meeting of the Committee, providing an opportunity to make further recommendations to Cabinet. Cabinet are requested to consider the feedback contained within this report in formulating their draft budget proposals.

Response to the draft budget options

Personnel and Business Support

Proposed Investment in ICT function, infrastructure support and ICT Strategic & change delivery resources (supporting change)

Members were informed of the proposed investment in ICT across the Council. A Member highlighted potential compatibility issues between Windows and Apple and suggested that a comprehensive plan to ensure compatibility between the two systems was required. He further suggested that as the Council was looking to appoint a new Director for Resources and Transformation that it may be better to wait until an appointment had been made to the post before decisions were taken regarding ICT investment. He commented that the Council was falling behind with ICT investment and improved services were required.

The Committee were informed that the Blackberry based email software 'Good for Enterprise' would be coming to an end within the Council and further information on its replacement was requested.

A Member also highlighted the advantages of a single ICT platform across the Council but stressed the need to retrain existing employees and ensure the associated cost was covered for this.

Clean and Green

New Saving - Additional efficiencies in Clean & Green

A Member sought clarification regarding the proposed efficiencies in Clean and Green. The Committee were informed that a response would be provided in writing.

Saving 106 – 4 day working week over Monday to Friday Waste Collection Service

Members were informed of a proposed 4 day working week for waste collection service operatives and proposed to close waste collection depots over the Christmas period.

Deputy Leader and Regeneration

Proposed investment - Cost of Gullies

A Member highlighted that the Council had recently invested in a new gully cleaning system. Clarification was sought in regard to additional expenditure. The Committee were informed that the new system had been working efficiently since installation and ensured gully systems were properly dealt with while achieving financial efficiencies for the Council. It was noted that without the new system the cost of the service to the Council would be higher.

Saving 136 – General efficiencies within Planning, Engineering and Transportation

A Member sought clarification regarding the proposed efficiencies within Planning, Engineering and Transportation. The Committee were informed that a response would be provided in writing.

Saving 63 – Introduction of a street & road works permit scheme

The Chair sought clarification, which was provided, on whether the introduction of a street and road works permit scheme could be introduced in year to benefit from additional income.

Community, Leisure and Culture

Savings 35 – Removal of the Council's Revenue subsidy to the Forest Art Centre

It was noted that the Forest Arts Centre placed to meet its planned revenue reduction of £100k in April 2018 with an additional reduction of £185k in 2019. It was noted that a proposed refurbishment of A3 Arena could reduce financial pressures on the centre whilst improving the community offer.

Savings 125 – Staff savings within regulatory/enforcement

It was noted that staff savings within regulatory/enforcement department were still to be finalised.

Savings 34 – Relocate local history centre into Lichfield street central library

The Committee were informed that the relocation of the archive centre from Essex Street to the Lichfield Street Central Library building would commence once the renovation and restoration of the latter building was complete in November 2018. A Member sought clarification, which was provided, that regulations had been considered in regard to fire safety, construction materials and adequate safeguards. It was confirmed that the National Archive in Kew have been involved throughout the process.

Saving 120 – Increase Crematoria fees further (6%)

The Committee were informed that research had identified that a new crematoria in Staffordshire would have a greater impact on the crematorium in Wolverhampton rather than Streetly. It was further noted that analysis of local demographic information meant it was anticipated that demand for Streetly Crematorium would be consistent until approximately 2050.

Social Care

Saving 76 – Reduction in grant to Citizen Advice Bureau

The Committee were informed that discussions had been taking place with the Council and CAB to identify savings from the subsidy.

A Member expressed concern that as the lease for the Quasar building was coming to an end it would wise to budget for decommissioning costs to address dilapidations.

Leader of the Council

Election Function

A Member noted that savings could be made if the Council changed to a four yearly all out election cycle and asked for a report on the issue considered at a future meeting.

The Committee Resolved:

- 1. That the Budget Savings 2017/18 be noted.**

Author -

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Democratic Services Officer

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Signed:

A handwritten signature in blue ink, appearing to read 'Andrew', written in a cursive style.

Councillor Andrew
Chair
**Corporate and Public Services Overview and
Scrutiny Committee**

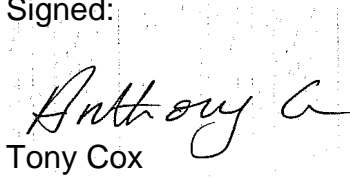
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A handwritten signature in black ink, appearing to read 'Simon Neilson', written in a cursive style.

Simon Neilson

**Executive Director Economy and
Environment**

Signed:

A handwritten signature in black ink, appearing to read 'Anthony Cox', written in a cursive style. The signature is partially obscured by a faint grid pattern.

Tony Cox

**Head of Legal & Democratic Services and
Monitoring Officer**