

Cabinet – 13 January 2010

Budget Consultation 2010/11

Portfolio: Councillor C Towe, Finance and Personnel

Service: Council wide - Finance

Wards: All

Key decision: No

Forward plan: No

1. Summary of report

1.1 The council's vision sets out our aim for the borough to be a place where people get on well together, support and look after each other, young people fulfil their potential and the borough prospers economically and materially. Seven of the council's ten priorities focus on the needs and aspirations of local people.

1.2 Listening to the views and opinions of local people is therefore critical to what we do. Part of our commitment to listen to local people is to consult people on what they think about council services and priorities and how this should be reflected in the annual budget. This report is the second in a suite of consultation reports to Cabinet and summarises outcomes from the voluntary and business sectors consultation towards the council's draft budget proposals for 2010/11. Appendices 1 and 2 provide further details as follows:

- Appendix 1 – feedback from consultation with businesses
- Appendix 2 – feedback from voluntary sector consultation

2. Recommendations

2.1 That the contents of this report and its appendices be noted.

2.2 That the outcomes from the budget consultation, set out in this report, be considered by Cabinet as it develops the council's 2010/11 draft corporate revenue and capital budget.

3. Background information

The council consults annually as part of its budget process. This year consultation has included local residents, the voluntary sector, trades unions via JNCC, and scrutiny. This report presents findings from consultation with the business and voluntary sector communities.

4. Resource considerations

- 4.1 **Financial:** Consultation undertaken was funded from existing revenue budgets.
- 4.2 **Legal:** The council has a legal duty to set a balanced budget and to consult with NNDR rate payers.
- 4.3 **Staffing:** None directly related to this report.

5. Citizen impact

The consultation process is designed to be as inclusive as possible, seeking the views and opinions of residents, stakeholders, the business and voluntary sectors. Understanding the views and opinions of stakeholders is intended to assist Cabinet as it develops and finalises the budget for the financial year ahead.

Community and voluntary organisations stress the importance of working with, investing in and supporting the 3rd sector for the benefit of local communities and the council.

Maintaining a focus on creating employment opportunities that attract and retain the right talent and businesses in the borough through supporting businesses and where possible, removing key barriers is a priority for local stakeholders.

6. Community safety

Concerns about anti-social behaviour remain a problem within communities. Negative media coverage being a key factor in driving some perceptions which may not be accurate. There is a desire for greater visible police presence and reassurance.

Whilst 26% of businesses surveyed have not been negatively affected by crime, a large proportion (40%) of businesses surveyed in the borough have.

7. Environmental impact

Communities want a borough they can be proud of, one that looks appealing and welcoming. There are concerns about run down areas and the need for regeneration and investment across the borough - not just in Walsall town centre. Building on existing community spirit, pride in those who live and work in the borough should be raised, celebrating and promoting what Walsall has to offer. Encouraging people with the right skills and businesses to locate and remain in the borough is seen as a priority for the successful future of the borough.

8. Performance and risk management issues

8.1 **Risk:** No direct implications.

8.2 **Performance management:** The outcomes of these budget consultations will be fed through to council services and to LNPs via the council's website and to individual heads of service. Participants will be sent a feedback newsletter summarising actions and outcomes of the budget setting process, demonstrating that we listen and act upon what local people tell us.

9. Equality implications

None directly related to this report.

10. Consultation

The process is an example of how the council is continuing to consult with stakeholders on key issues as part of a council wide strategy for consultation and engagement. Budget consultation has included residents, business representatives and the voluntary and community sectors. Employee consultation is being held via the trade unions.

Background papers

Various.

Author

Vicky Buckley – Head of Corporate Finance

☎ 01922.652349, buckleyv@walsall.gov.uk



James Walsh
Chief Finance Officer
8 December 2009



Rory Borealis
Executive Director (Resources)
30 December 2009



Councillor C Towe
Portfolio Holder – Finance and Personnel
10 December 2009



Budget Consultation Financial Year 2010/11

Business Needs Survey 2009 Summary of findings

For more information please contact:

Anna Sansom
Corporate Consultation & Customer Feedback Officer
Corporate Performance Management
Walsall Council, Civic Centre, Darwall Street, Walsall WS1 1TP

Telephone 01922 653520
Email sansomanna@walsall.gov.uk

Budget Consultation Financial Year 2010/11

1. The consultation process

Each year Walsall Council undertakes public consultation in preparation for the budget setting process. Although not undertaken for the specific purpose of or in the context of budget consultation, findings from the Business Needs Survey, undertaken by the council's Enterprise & Business Support Team, provides valuable feedback from businesses operating in the borough.

The purpose of the Business Needs Survey is to identify issues that face local business in the current market, including barriers to investment, employment patterns and other issues relating to business activity.

A postal version of the survey was sent to 3,272 businesses from key sectors and an online version of the survey was also made available to all Walsall businesses. A total of 259 businesses responded, representing an 8% response rate (based on the mailing sample).

Whilst a brief summary of key findings is presented here for the purpose of budget consultation, the Enterprise & Business Support Team will be undertaking more detailed analysis for use in developing future support services.

2. Profile of respondents

Businesses from a range of sectors responded to the survey, most of which were from the manufacturing, engineering & aerospace (32%) and construction sectors (13%). The majority of responses were obtained from the WS2 postcode sector (18%) closely followed by WV13 (17%) thus reflecting the concentration of businesses in these areas.

Many of the businesses have longstanding ties to the borough and have been trading for many years. Most businesses (42%) have been trading in the borough for 21 years or more. 6% are new businesses trading in the borough for less than a year.

The majority of businesses who responded (40%) are small or micro businesses, employing less than 10 people. 17% of businesses who responded have a workforce greater than 50 employees. This profile broadly reflects the business community within Walsall, which comprises of mainly micro, small or medium sized enterprises.

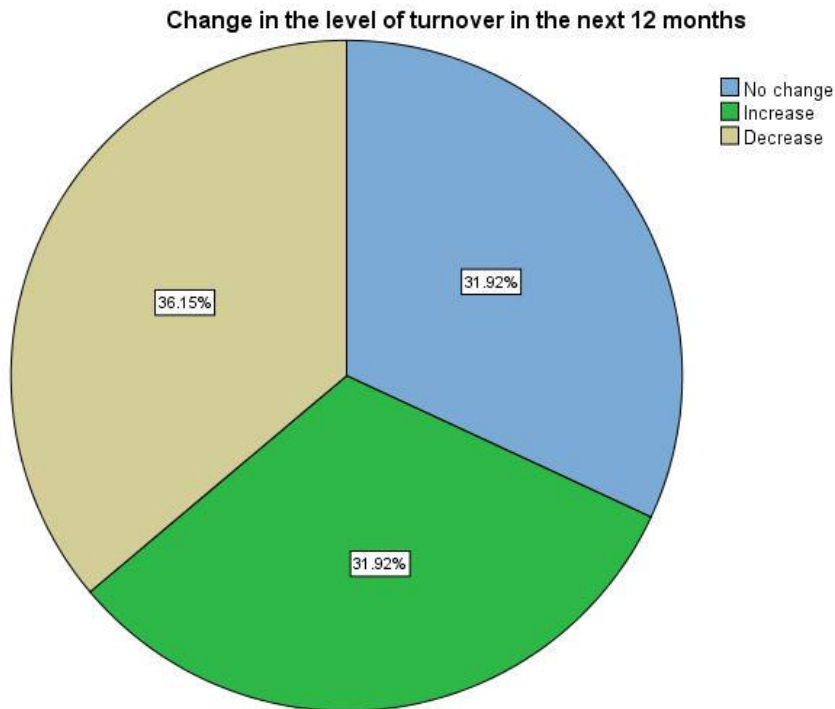
3. Impact of the economic downturn

71% of respondents said that the economic downturn had had a negative impact on their business. Although 10% indicated that it had had a positive impact.

Negative impacts of the economic downturn include; reduced profits (82%), loss of orders (56%), redundancies (37%), postponed investment in plant and machinery (36%) and general downsizing of the business (37%).

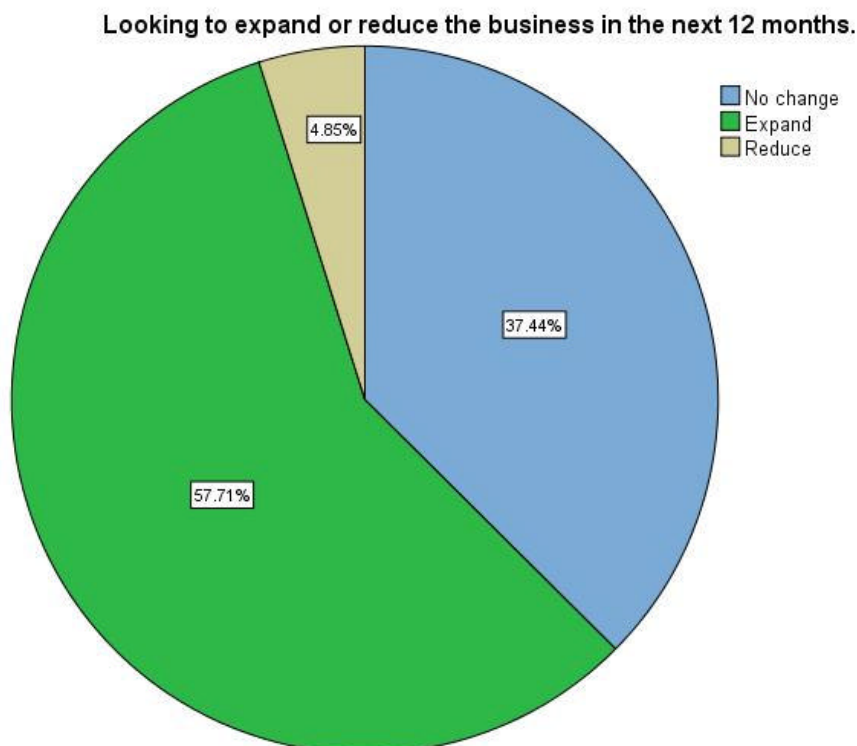
Of the businesses surveyed (36%) foresee their annual turnover decreasing in the next 12 months. However, 32% expect an increase in turnover and the same proportion expect no change.

Fig. 1



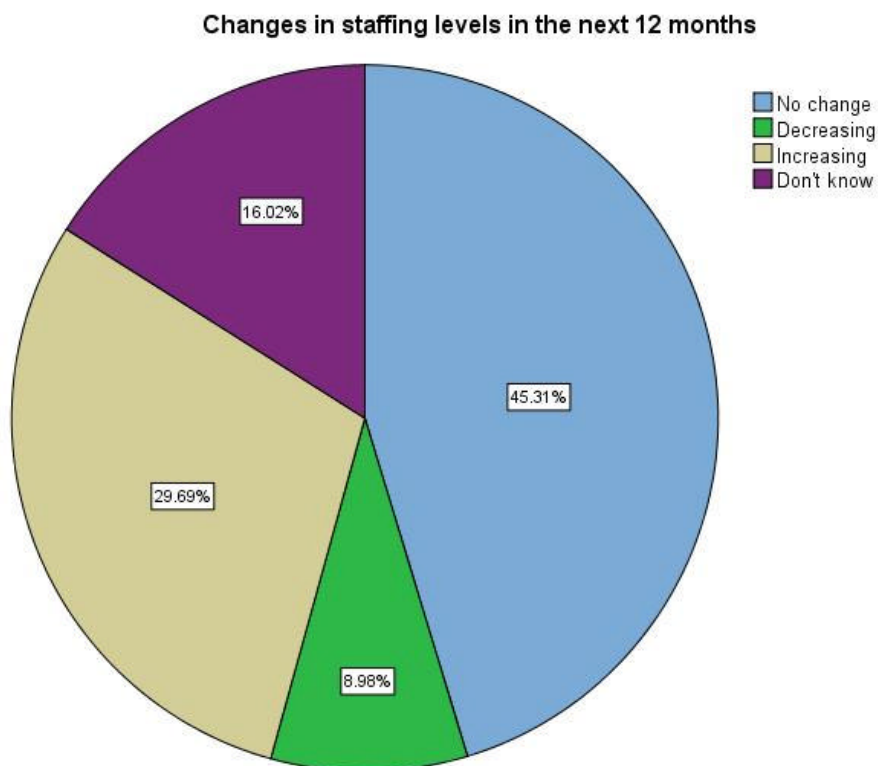
Encouragingly 58% of businesses expect to expand their business in the next 12 months with just 5% planning to reduce their operation.

Fig 2.



The majority of businesses surveyed expect no change in their staffing levels over the next 12 months. 30% (76 businesses) expect staffing levels to increase and 9% (23 businesses) expect a decrease in staffing levels.

Fig 3.



60% of those businesses expecting staffing levels to decrease (23 businesses) predict the loss of 1 - 5 jobs in the next 12 months. 5% expect a decrease of between 51 – 100.

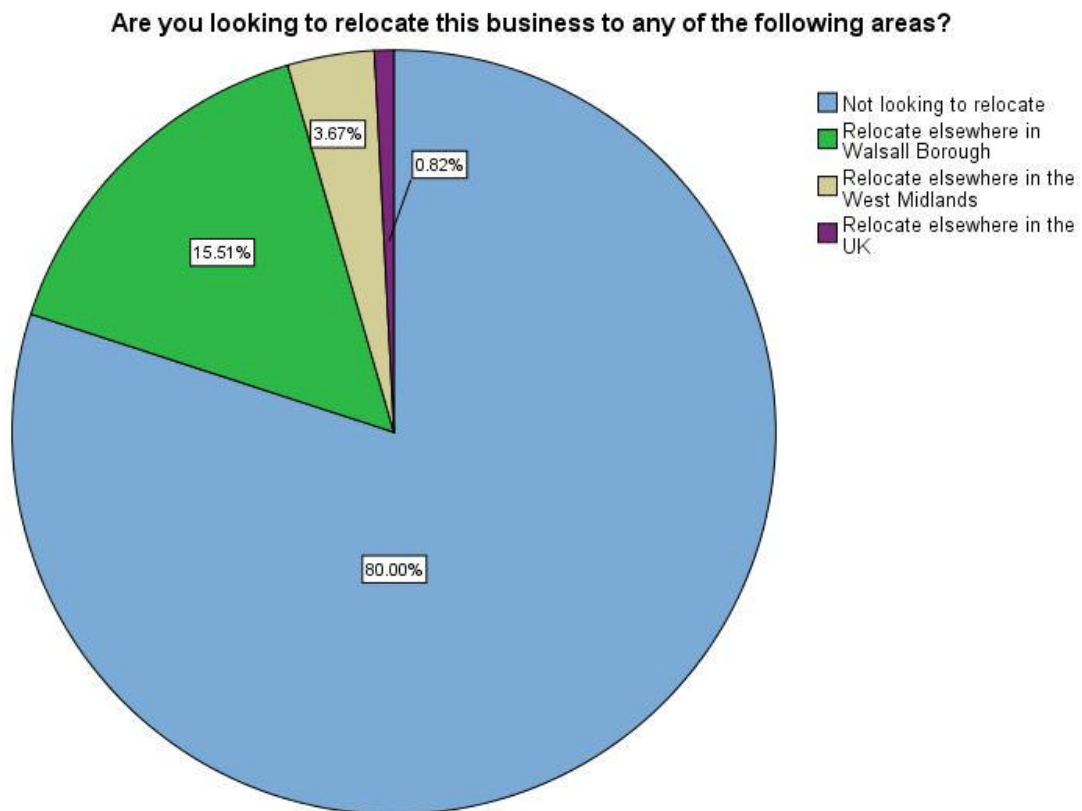
76 businesses expect staffing levels to increase over the next 12 months, most (84%) of these businesses foresee an increase of 1 – 10 jobs. 13% foresee creating 11 - 50 jobs and one business expects the creation of 50 – 100 jobs.

4. Barriers and relocation

Costs in the form of overheads including business rates (30%), high cost of energy (25%) and premises costs (24%) are identified most frequently as barriers to operating in the borough.

4% of businesses indicate that they are looking to relocate their operation outside the borough. This equates to a total of 11 businesses, 5 of which fall within the distribution / warehouse / packing sector. Significantly one business looking to relocate employs between 101-249 people and one employs 250 – 499 people.

Fig 4.



Seven of the businesses looking to relocate identify premises costs as a barrier to operating in the borough, four cite business crime, traffic issues and cost of labour.

Whilst 29% of respondents say they face no barriers when recruiting new staff, existing barriers identified most frequently by businesses operating in the borough include; accessing the right higher level skills (36%), lack of basic skills (22%) and recruitment costs (17%).

Of the 259 businesses surveyed 40% report that they have been negatively affected by crime a great deal or to some extent.

55% of retail businesses, 52% of businesses in the distribution/warehouse/packing sector, 43% of businesses operating in the manufacturing, engineering and aerospace and 31% in construction report being negatively affected by crime.



Walsall Council

Budget Consultation Financial Year 2010/11

**Voluntary and community Sector Meeting
Summary of findings**

For more information please contact:

Anna Sansom
Corporate Consultation & Customer Feedback Officer
Corporate Performance Management
Walsall Council, Civic Centre, Darwall Street, Walsall WS1 1TP

Telephone 01922 653520
Email sansomanna@walsall.gov.uk

Budget Consultation Financial Year 2010/11

1. Community and Voluntary Sector - The consultation process

Each year Walsall Council undertakes public consultation in preparation for the budget setting process. On the morning of Wednesday 16 December 2009 the council held a special consultation meeting for representatives from the community and voluntary sector in Walsall. At the event attendees heard about the council's budget setting process as well as current and future spending and savings targets. Through informal discussion in small groups attendees then had the opportunity to have their say on what they thought should be the council's spending priorities for the coming financial year.

Over 30 people attended the meeting representing more than 25 different organisations and groups covering; children and young people, health and wellbeing, older people, arts, sports and leisure, faith groups, environment, transport and specialist advice, guidance and support services.

2. Pride in the borough

Attendees were asked to think about positive and negative issues in the borough and the views of the communities they work with. There is always a tendency for people to highlight negative issues or things that are going wrong more easily than positive issues. Without prior thought attendees find it quite difficult to identify positive feedback which suggests that more needs to be done to make people feel proud of the borough and recognise what it has to offer.

'I don't know that I've heard anything positive.'

'You hear more negative comments than positive.'

Feedback relating to the feeling of pride in the borough, local identity and close knit communities was mentioned by a number of attendees.

'There is a good sense of community spirit and loyalty to an area. In particular Blakenall, Bloxwich and Willenhall where there are some very proactive people. All of these areas have received significant investment and regeneration.'

'Proud to be from Walsall.'

'There is good community spirit.'

'There is a strong Walsall identity "Black Country".'

One person thought that investment and regeneration is a key catalyst for prompting community spirit and proactive behaviour however one person felt that the aspirations of some residents are not high.

'It's important to make people and an area feel valued. Blakenall Village Centre is a fantastic resource that says to local people 'you deserve this building'.'

'Other town centres need investment.'

'There are low aspirations of residents.'

'Hope and aspirations for all is what is needed most.'

The new college, hospital, ring road and soon the Gigaport and new Tesco in Walsall town centre were mentioned as positive developments.

'Walsall actually has a lot going for it, use this to better the name of the borough.'

3. Regeneration

A number of attendees highlight areas where the borough needs improving.

'Gateways into the town look like a tip.'

'There is a lack of development in some areas - Shannons Mill stills stands empty.'

'Just make Walsall a nicer place to live.'

The geographic location of Walsall was thought to offer many benefits particularly access to the countryside and ease of travel to other parts of the country. Some attendees thought that the new ring road was a great improvement where others did not.

'It's a lot easier to travel around the borough now. Congestion is less.'

'The one way system is terrible.'

Car parking is a particular bug bear to some, in particular lack of car parking and cost which is thought lead to people parking in residential areas or visiting other towns instead.

'People do not come into town because of the cost to park.'

'More disabled parking spaces are needed. Need to monitor those who park in them as they are not always disabled or have a disabled passenger with them.'

Some attendees expressed concerns that there is not enough in the borough to encourage young professionals and graduates to stay and take up jobs here.

'There is a brain drain.'

'Keep people, especially graduates in the area, don't lose them to bigger cities. Bring in fresh ideas, encourage people to stay, by helping improve job opportunities. People are training here through apprenticeships and then once experienced taking it elsewhere.'

Regenerating the borough so that it is attractive to young qualified professionals and businesses is seen as a priority.

'Regenerate the borough so to prevent skills and knowledge leaving.'

'Help small businesses to bring in employment and regeneration into Walsall and not just the town centre.'

Raising the aspirations of young people is seen as a top priority, harnessing talent and helping young people realise their potential.

'Encourage educational attainment and retain talent.'

'More education to underprivileged children to ensure they know the basics from an early age.'

4. Children, young people and families

Some felt that it is important to ensure that the younger generation are supported to become more independent and self reliant. Supporting families throughout the borough to help prevent families breaking down and prioritising those most at risk from harm.

'Greater investment in young people.'

'It's vital to have a good youth service.'

'The council must invest in families. Keeping them together saves money in the longer term.'

'Tackle the root cause rather than the immediate problem.'

Supporting people when they need it most and the delivery of preventative services, is seen by some as a key area for investment.

'Early intervention with those who are homeless so they don't need to access services later on in life – invest to save.'

'Need to concentrate more on older peoples' services. Health and wellbeing rather than health care services.'

'Preventative work on the more costly services.'

Several attendees stressed the need to maintain quality services, particularly in the current economic climate and the years ahead.

'Who is going to deliver services in the future? Ensure the infrastructure is in place to deliver what is needed.'

5. Community Safety

Anti-social behaviour remains a concern to some.

'Anti-social behaviour is increasing and its not just young people. It's very intimidating and you are not able to confront it.'

'There are not enough positive activities for young people which could help reduce anti-social behaviour.'

A number of people spoke of avoiding particular areas after dark due to fear of crime and anti-social behaviour.

'During the day Walsall Town Centre is very vibrant but after dark you are put off by worries about safety. More visible policing is needed in the town but without negatively impacting on public perception.'

The use of more intergenerational work was suggested as it helps promote community cohesion, better relations and understanding between younger and older people in the borough.

'There needs to be better communication between young people and older people.'

'We [Age Concern] are trying to promote the use of more intergenerational work.'

6. Communication and consultation

Some attendees blamed the local media for portraying the borough in a bad light which is seen as not helpful, particularly in terms of perceptions of crime.

'Walsall gets bad press.'

'There is a negative perception of young people hanging around...Bad press increases the fear of crime. Some older people I know won't go out after dark, but its fine. One incident can be blown out of proportion and generate fear of crime.'

'Negative attitudes do not promote success.'

Better communication with communities and the voluntary sector was called for. Some thought that local people [residents] don't understand what services the council provides and that this needs addressing. Having a better understanding would benefit local people and the council.

'People view the council as one body, people forget that it's lots of different services.'

'The public don't understand what the council does or where it stands in government hierarchy.'

'Central Government 'strangles' local government with regulations and the public don't understand that the regulations are set by central government.'

'There is a lot of public apathy in the borough.'

3rd sector representatives want to be more actively consulted and involved in the work of the council. Engagement with communities needs improving particularly Local Neighbourhood Partnerships which some feel need to be more structured and able to engage more people.

'The voluntary sector would appreciate more and earlier input into council issues.'

7. Working with the 3rd sector

There was strong consensus that working more closely with the 3rd sector is very important and that they can help spread information about council services to the people and communities they work with.

'The voluntary sector can play a key role in communication.'

'There are over 600 voluntary / community organisations in the borough. The 3rd sector can reach people who the council may well not reach due to lack of trust with the authority.'

'Develop a strategy to disseminate information via the voluntary sector.'

'People don't read Walsall Pride. It's a waste of money.'

'Engage with the voluntary sector and promote ongoing dialogue.'

'Dialogue is not very open.'

In addition to helping communicate with communities many attendees feel that the council does not work closely enough with them, nor does it maximise the opportunities or benefits the 3rd sector has to offer.

There is a general feeling that Walsall Council doesn't know / understand what the 3rd sector can offer them and the residents of the borough.

'The council needs to understand the voluntary sector better – they are a source of and provide access to local services for local people.'

'The problem is that the voluntary sector is very much taken for granted.'

Some individuals feel that barriers exist which make it difficult for voluntary organisations to work with the council and whilst it is felt that officers have the will and desire to work with the 3rd sector, mechanisms in place can prevent it from happening.

'Tendering for council work needs to be made more accessible so that 3 sector organisations can tender.'

'There is the perception that the council wants to keep hold of things, to maintain control.'

'Very prescriptive processes [procurement] exist and they need challenging. London Borough of Camden have let numerous contracts to 3rd sector organisations. Learn from how they do things.'

The impact of the current economic climate is worrying for many small voluntary organisations who rely on funding.

'There are a lot of small organisations which could cease due to a lack of funding. Many have expertise and knowledge which could be used by the authority. Due to changes in NNDR relief these organisations are finding it difficult to survive leaving only the medium and large scale organisations.'

There is widespread consensus that the council needs to do more to tap into the expertise, knowledge and skills of the 3rd sector which would help the council achieve its efficiency targets and in turn help the 3rd sector survive.

'Does the voluntary sector have a voice at the correct level within the council?'

8. Money allocation

The money allocation task is a basic way of identifying priorities whilst also demonstrating the difficulty of dividing a limited budget across competing priorities.

When asked to allocate a notional £100 budget to current council priorities, attendees allocated the largest budget to 'ensuring citizens' are aspiring and achieving in education and qualifications' followed jointly by 'ensuring citizens are healthy' and 'ensuring citizens contribute to their communities'.

Average spend £	Council priority
£20.42	Ensuring citizens' are aspiring & achieving in education & qualifications
£15.00	Ensuring citizens are healthy
£15.00	Ensuring citizens contribute to their communities (e.g. volunteering)
£11.25	Ensuring citizens are safe and secure
£10.42	Ensuring citizens are enjoying a high quality of life (clean, green & mobile)
£9.58	To make effective use of our resources
£7.08	Ensuring citizens are free from discrimination or harassment
£6.25	To deliver quality services and meet customer expectations
£2.50	Ensuring citizens are financially and materially secure
£2.50	Improving the organisation and improving the customer experience (the transformation agenda)