

## **COMMUNITY SERVICES SCRUTINY AND PERFORMANCE PANEL**

**DATE: 30 NOVEMBER 2010**

### **Draft Revenue Budget Proposals 2011/12 for Consultation**

**Ward(s)** All

#### **Portfolio:**

Councillor Harris – Leisure, Culture and Environment  
Councillor Ali – Communities and Partnerships

#### **Summary of report**

This report presents Cabinet's first draft revenue budget proposals for 2011/12 for consultation with the panel and to provide an opportunity for the panel to make recommendations to Cabinet.

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#### **Recommendation**

The panel are recommended to consider the first draft proposals in this report and make recommendations to Cabinet as appropriate.

#### **Background papers**

Various financial working papers.  
Equality Impact Assessment  
Budget Consultation

#### **Reason for scrutiny**

To enable consultation and scrutiny of the draft budget proposals for 2010/11.



**Jamie Morris**  
**Executive Director – Neighbourhood Services**

**19 November 2010**

## **Background**

This section summarises the councils financial forecast and key timeline, and the organisational context of the Neighbourhood Services directorate.

### Financial forecast and key timeline

The budget is constructed in accordance with the medium term financial strategy and all relevant corporate financial protocols, to ensure a balanced draft budget for 2011/12 can be set and approved by Council on 24 February 2011.

The Comprehensive Spending Review (CSR) issued on 20 October 2010 announced changes to the Formula Grant settlement by 28.4% over the 4 year period, announced 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 late November/early December. The draft budget and proposals may need amending as allocations are published.

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.

### Organisational context of Neighbourhood Services

Resource planning in Neighbourhood services has focused on ensuring maintenance of high priority and statutory services and reducing activity and cost in other service areas.

Working Smarter has challenged us to reconsider how services are provided and to take out all waste from processes. This enables us to ensure that all resources are concentrated on managing service demand. This has already led to savings in environment , and there will be further savings in other aspects of environment services, the management of "public realm" which affects services within the remit of this panel and widespread efficiency savings in all areas.

Many of our direct services are based in specific facilities. As part of Asset Management 2010 there may be longer term reductions in the number of service outlets and making more services available in the remaining outlets. In particular we are proposing a radical remodelling of the library service with fewer outlets but several improvements and the opportunity for libraries to provide "hubs" for a wider range of council services.

The budget planning process is a three year process and there are other challenging proposals for subsequent years which will take further time to develop. These involve integrating services together, merging some services with other local authorities in the Black Country and greater charging for universal services.

Finally there has been a pragmatic approach to raising income from fees and charges (eg bereavement services, Forest Arts) recognising the limitations of this in the current economic climate.

## Resource and legal considerations

Cabinet on 17 November 2010 presented the first draft revenue budget proposals 2011/12 for consultation. These proposals include savings and investment proposals for the services within the remit of this panel. The proposals are presented to this panel for consultation and scrutiny.

**Table 1** sets out the draft budget 2011/12 for the services within the remit of this panel and proposed changes in resources, compared to the approved budget for 2010/11.

**Table 1 : DRAFT 2011/12 NET BUDGET – COMMUNITY SERVICES**

DETAILS	£m
Budget brought forward from previous year	29.102
Inflation pressures	0.181
Other changes	(0.432)
Budget pressures : demographics, cost pressures, fall out of grant, etc	0.336
Full year effect of 2010/11 growth	(0.130)
New savings - operational (where officers have delegated authority to implement) – Appendix 1	(0.997)
New savings - requiring Cabinet decision to implement – Appendix 2	(0.484)
Full year effect of 2010/11 savings	(0.302)
<b>Draft net budget</b>	<b>27.274</b>

### Pressures

The draft 2011/12 revenue budget for services within the remit of this panel includes £0.130m reduction in growth which relates to investment decisions made by Council in February 2010 where a part year cost effect only was included in 2010/11. In addition further growth totalling £0.336m has been identified as a very high priority by Cabinet and as being essential to meeting cost pressures. A summary of growth is shown in **Table 2**.

**Table 2 : COST PRESSURES 2011/12**

DETAILS	£m
Walsall Partnership - Support to non-school Community Associations to assist in building management responsibilities	0.080
Walsall Partnership - Local Involvement Network due to fall out of grant	0.169
Public Safety – stray dog reception facility	0.017
Public Safety – CCTV surveillance income shortfall	0.030
Public Safety – Disinfestation income shortfall	0.020
Public Safety – Licensing income shortfall	0.020
<b>Total</b>	<b>0.336</b>

### Efficiencies, Service Redesign and Fees and Charges Increases

The draft 2011/12 revenue budget for services within the remit of this panel includes £0.302m of savings which relate to decisions made by Council in February 2010 where a part year effect only was included in 2010/11.

Proposals for savings have been considered by Cabinet and total new budget reduction options (including efficiencies, service redesign savings and income generation) of £1.481m are included in the draft budget proposals within this report for consultation.

Operational savings - those not requiring an Executive (Cabinet) decision - totalling £0.997m have been included. Where feasible, these will be introduced as soon as practicably possible to generate early savings. Full analysis shown at **Appendix 1**.

Additionally, executive proposals (those requiring a Cabinet decision to proceed) of £0.484m are included for consultation. These appear at **Appendix 2**.

### Staffing implications

The savings proposals identified in this report are predicted to impact on 73 posts. These are noted alongside each savings proposal on Appendix 1 and 2 attached to this report.

Managers will have already advised staff whose posts have been identified in the budget proposals, with formal consultation now being undertaken with staff and trade unions.

Managers will endeavour to reduce the impact of staff wherever possible, by reviewing vacant posts, and seeking expressions of interest for targeted voluntary redundancy. Staff placed at risk will be fully supported by managers and human resources through the redeployment process.

### **Citizen impact**

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.

### **Environmental impact**

The draft budget provides funding for community safety initiatives.

### **Risk Management issues**

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.

### **Equality Implications**

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.

## Consultation

This is the first of two meetings for scrutiny to consider Cabinet's draft budget proposals. Recommendation from this panel will be reported to Cabinet at its meeting on 15 December 2010 for their consideration. The second meeting on 20 January 2011 will include the impact of the final settlement and any other funding changes and any changes to the draft figures arising from budget consultation.

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 started formally on 22 November

The results of this consultation will be reported to Cabinet on 15 December, and then included in the next budget report to this panel meeting on 20 January 2011.

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**APPENDIX 1**

**BUDGET 2011/12 +**

**OPERATIONAL SAVINGS - FOR INFORMATION**

REF NO	WORKING SMARTER - SAVING DESCRIPTION	SERVICE AREA	ANNUAL GROSS SAVING			REDUCTION IN POSTS (No)
			2011/12	2012/13	2013/14	
			£	£	£	
<b>LEISURE, CULTURE &amp; ENVIRONMENT</b>						
<b>Restructuring</b>						
2	Streamlining delivery through the reduction in support staff within creative development team	Libraries & Arts	25,680	25,680	25,680	3
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	3.4
8	Removal of vacant music posts from Forest Arts Centre	Libraries & Arts	104,333	104,333	104,333	3.37
<b>Review of operational budgets</b>						
9	Review of security and maintenance contracts at New Art Gallery	Libraries & Arts	71,774	71,774	71,774	0
10	Operational efficiencies within leisure centres	Leisure & Community Health	30,000	30,000	30,000	0
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	0
16	Restructure of the Library Service	Libraries & Arts	180,000	180,000	180,000	9
<b>Fees and charges increases</b>						
17	Increase income generated from schools for Forest Arts Centre music.	Libraries & Arts	23,661	23,661	23,661	0
<b>TOTAL</b>			<b>494,971</b>	<b>499,436</b>	<b>499,436</b>	<b>19</b>
<b>COMMUNITIES AND PARTNERSHIPS</b>						
<b>Restructuring</b>						
18	Staffing restructure within Walsall Partnerships, Working Neighbourhood Fund (WNF) management and strategic intelligence.	Walsall Partnership	150,000	150,000	150,000	7

**APPENDIX 1**

REF NO	WORKING SMARTER - SAVING DESCRIPTION	SERVICE AREA	ANNUAL GROSS SAVING			REDUCTION IN POSTS (No)
			2011/12	2012/13	2013/14	
			£	£	£	
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	1
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	2.5
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	4
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	5
<b>Review of operational budgets</b>						
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	0
<b>Fees and charges increases</b>						
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	0
<b>TOTAL</b>			<b>501,923</b>	<b>501,923</b>	<b>501,923</b>	<b>20</b>
<b>TOTAL OPERATIONAL SAVINGS - FOR INFORMATION</b>			<b>996,894</b>	<b>1,001,359</b>	<b>1,001,359</b>	<b>38</b>

Note : The reference number relates to the savings option in the report to Cabinet on 17 November 2010

**APPENDIX 2**

**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
			£	£	£
<b>LEISURE, CULTURE &amp; ENVIRONMENT</b>					
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
<b>TOTAL</b>			<b>483,834</b>	<b>1,278,537</b>	<b>1,374,366</b>

**Note : The reference number relates to the savings option in the report to Cabinet on 17 November 2010**



# APPENDIX 2

REDUCTION IN POSTS (No)
2
0
12.5
3
3.5
7
2
0
5
<b>35</b>