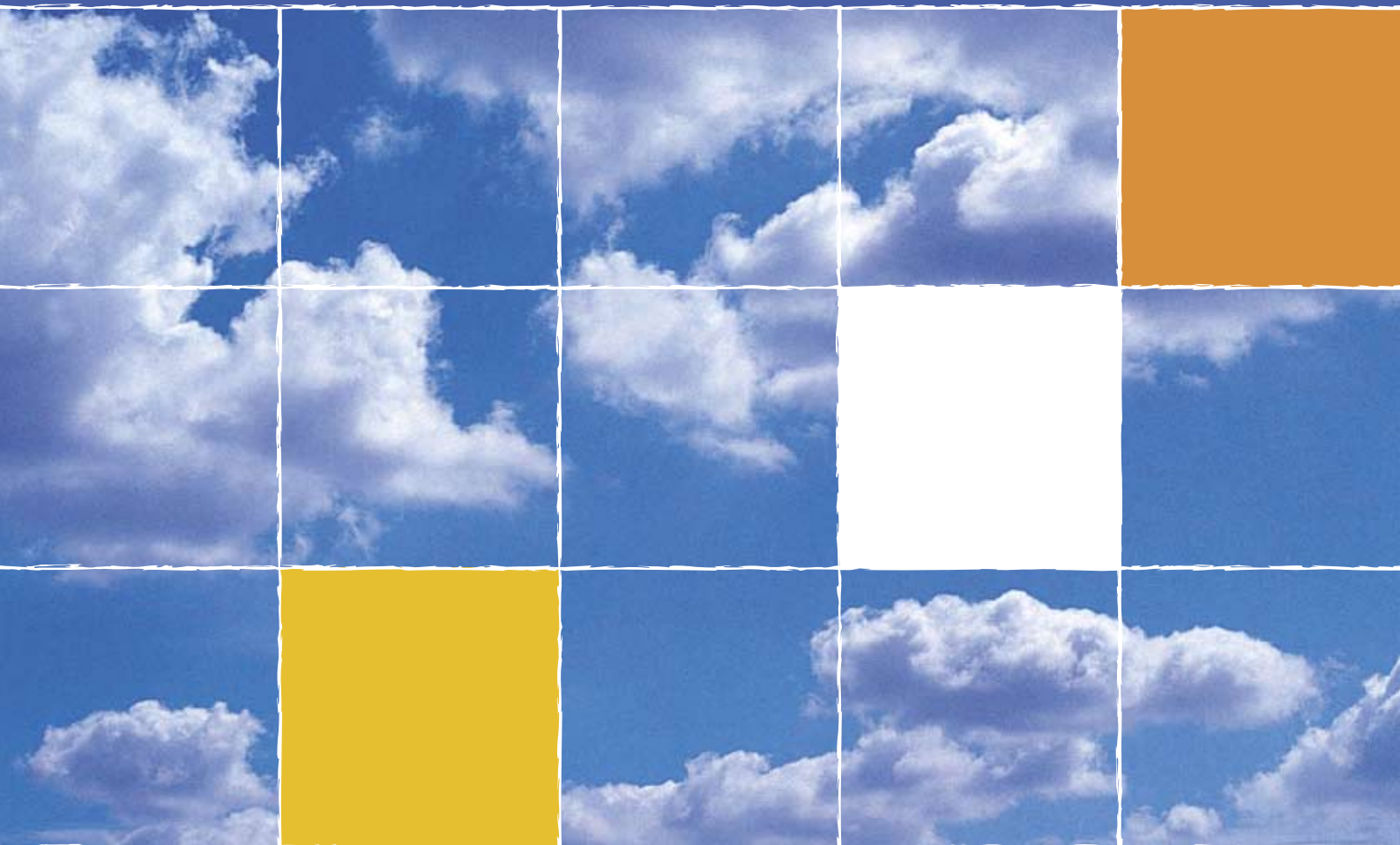


# Corporate Budget Plan

2007/08 - 2011/12



February 2007



**Walsall** Council

## **Cabinet – 7 February 2007**

### **Corporate Revenue Budget Plan 2007/08 – 2011/12**

**Portfolio:** Councillor John O'Hare – Resources

**Service Area:** Corporate finance

**Wards:** All

**Key decision:** Yes

**Forward Plan:** Yes

#### **Summary of report**

This report presents the draft revenue budget plan for 2007/08 to 2011/12 following consideration of the previous draft proposals by all five scrutiny panels and public consultation. This report and other finance reports on tonight's agenda are to enable formulation of budget recommendations to Council on 26 February 2007. The detailed budget plan will follow immediately all 5 scrutiny panels have met to consider the previous draft budget; enabling cabinet to consider their views in finalising the detailed budget.

#### **Recommendations**

To note:

1. The corporate budget plan set out in this report and its appendices.

To note and endorse that:

2. At the time of despatch of this report, the precepting authorities (fire and police) had not formally notified the authority of their final council tax increases, so these will be tabled at the Council meeting of 26 February. Current estimates have been used within this report based on informal communication from each precepting authority.
3. The Walsall Council draft net budget requirement for 2007/08 is **£212.924m**, and the draft council tax increase is **3.89%** - resulting in a band D council tax of **£1,246.87**; a weekly increase of between £0.60p and £0.90p for the 92.35% of Walsall residents in bands A – D properties.
4. On the basis set out in (3) above, the provisional (i.e.: subject to formal confirmation) overall council tax increase would be 3.86%, including estimated precepts, resulting in a total band D council tax of £1,382.21.

To note, endorse and recommend to Council:

5. The recommendations of the Chief Finance Officer (CFO) in respect of the robustness of the estimates made for the purposes of the budget calculations and the adequacy of reserves as set out in **Annex 11** of the corporate budget plan.
6. The revenue budget and council tax increase for 2007/08. (**Deliberative recommendation - detailed draft resolution will be tabled at the meeting**)

### **Resource and legal considerations+**

Councils must set and maintain a budget sufficient to cover all known expenditure and deal with unknown contingencies. CFOs are required to report to members on the robustness of the estimates used for the purpose of calculating the budget and the adequacy of the proposed reserves. This is provided at **Annex 11** of the budget plan. Unbudgeted expenditure should not be incurred assuming that it will be met from reserves. A comprehensive statement on current and recommended reserves is included in the budget report. We prudently maintain an appropriate minimum level of general reserves and use a risk assessment to determine the level. The opening balance required @ 01.04.07 is c £4.6m. The opportunity cost of maintaining this level of reserves is considered by the CFO who is satisfied that the benefits accrued in maintaining these at the recommended level outweigh the potential lost opportunity from investing these reserves in other ways.

The final formula grant settlement was received on 18 January 2007. The figures were exactly the same as the draft settlement received on 28 November 2006.

### **Citizen impact**

The council tax increase arising from this draft budget would be 3.89%, well within the Government's ceiling of 5%, so capping is unlikely. The inclusion of the estimated fire and police precepts reduces this to 3.86%. The budget is aligned with service activity in service plans. Investment has been targeted at service improvement, delivery of the council's vision and service-user demand.

### **Community safety**

The budget provides funding for initiatives to support community safety.

### **Environmental impact**

Investment bids for 2007/08 onwards include several targeted at supporting environmental improvements, e.g. waste recycling and home composting.

## Performance and risk management issues

The council annually reviews corporate financial planning and budget principles. In November cabinet approved an updated Medium Term Financial Strategy (MTFS). The budget setting process includes a corporate financial risk assessment to determine key risks and their impact on the budget. Services undertake comprehensive risk assessments of their budgets by identifying risk factors, potential changes to service delivery and funding streams. This ensures that adequate corporate budgetary provision is available to cover unforeseen future events. This successful approach has been in place for several years and is used to inform the level of earmarked and general reserves.

**Annex 13** shows the results of this exercise and the theoretical risk of between £1.22 m and £7.30 m of additional costs. However, it is highly unlikely that all these scenarios would arise. Managers are also required to deliver services within the available budget. Any known changes in service demand or costs arising from legislative or Government demands, are identified and dealt with, within the overall draft revenue budget, as an investment bid. The budgeted opening level of reserves is sufficient to cover the high and medium risk items. Any in-year use of general reserves would require replenishment to ensure an opening general reserve of c£4.6m, as required by the MTFS.

## Equality implications

Services have regard to equalities in setting budgets and delivering services.

## Consultation

The council is statutorily obliged to consult with representatives of non-domestic ratepayers before setting the budget. Public consultation is an important part of our community engagement activities; effected since November 2006 through a series of facilitated workshops involving representative samples of different parts of the community, and involving members and EMT. **Sections 4 and 8** of the budget plan provides further detail of the consultation arrangements, customer feedback and examples of pledges which seek to respond to the outcomes of that public consultation.

Managers of all levels are responsible for delivering targets and service outputs on time, to standard and within budget. With their teams, they are involved in budget construction, bidding for investment and working up savings options. EMT and cabinet have continuously reviewed the evolving budget. Draft budget options were considered by cabinet at a decision conference on 9 November 2006 and by corporate services scrutiny panel on 27 and 29 November 2006. All scrutiny panels received the draft revenue budget 2007/08+ for services falling within their in January and February 2007 and a report is included elsewhere on tonight's agenda detailing the comments and recommendations of each panel.

## Vision 2008

The budget, each investment bid and saving are assessed for their contribution to the delivery of the council's vision. The budget setting process and decision conferencing within directorates and members ensures that all budget decisions deliver the vision. All base budgets, investment bids and savings were rigorously challenged and budgets re-aligned as a result. **Section 8** provides an overview of the policy priorities of each portfolio holder.

## Background papers

Various financial working papers.

Approved MTFs – Cabinet 8 November 2006

Revenue Support Grant Provisional Settlement – Cabinet 20 December 2006

Draft Corporate Revenue Report 2007/08 – 2011/12 – Cabinet 17 January 2007

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**Signed:**



**Executive Director: Carole Evans**

**Date: 30 January 2007**

**Signed:**



**Portfolio Holder: Cllr J G O'Hare**

**Date: 30 January 2007**

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# 1. Purpose of this document

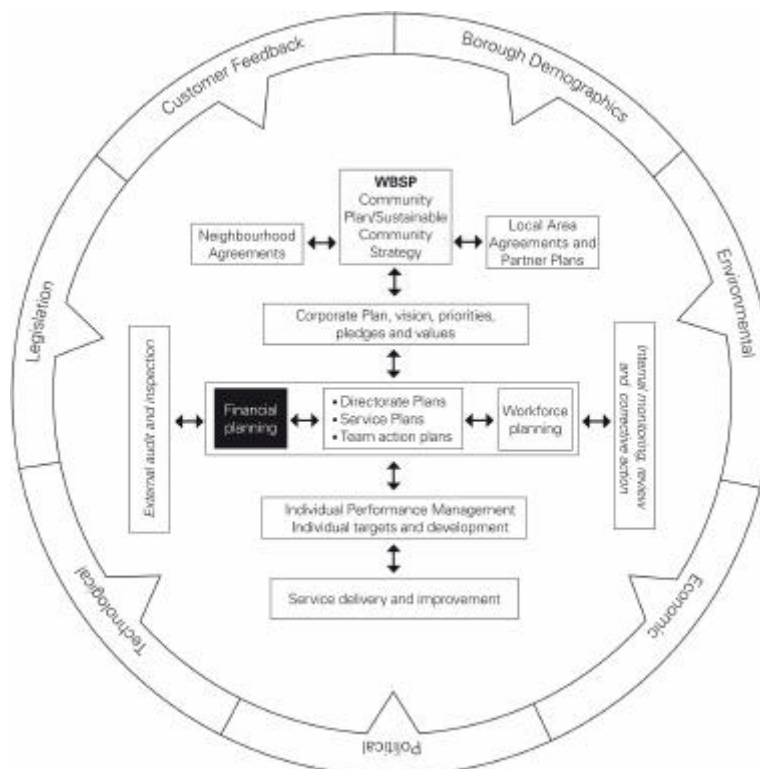
The council's budget is a financial representation of the organisation's plans for the forthcoming financial year and beyond. Therefore, the budget is constructed as an integral part of the council's corporate integrated planning and performance framework (CIPPF). The key drivers in setting the budget each year are the delivery of:

- the community plan, in conjunction with our partners
- the council's vision, aims, objectives, policies and strategies and
- the medium term financial strategy

The above plans and strategies are informed by an understanding of the people, nature and demographics of our Borough, captured within a comprehensive document "People & Place Perspectives: A Picture of our Community". This combines a range of primary data, analysis and stakeholder feedback, and has been used, with other information, to undertake needs analyses to support the design and delivery of our services, through service planning and therefore demonstrated in our budget plans.

The CIPPF diagram shows how services are designed, delivered and performance managed, and shows how financial planning connects to the council's aims and objectives. This shows how services and activities are regularly measured and monitored to enable effective decision making, helping to ensure the Council delivers efficient, customer focussed services that provide real value for money.

**Figure 1: The Council's CIPPF**



## 2. The Council's vision for the Borough

### In Context - The Community Plan and Sustainable Community Strategy

The council is one of many organisations that work together for the future of the borough through the Walsall Borough Strategic Partnership (WBSP). Through the WBSP we seek to fulfil our shared aspirations as set out in the Community Plan and our Local Area Agreement, developed locally focussing on key outcomes. Walsall Borough's second Community Plan (which can be found at <http://www.wbsp.org.uk> ) was launched in September 2005 and set out the work being undertaken to achieve the Borough's vision that:

*Walsall will be a prosperous, inclusive and competitive Borough in which its diverse communities feel involved, safer, healthier and can take pride in its future.*

We are currently working with our partners to develop a Sustainable Community Strategy by early 2008, which will build on and replace the Community Plan and will meet the requirements of the Local Government White Paper; *Strong and Prosperous Communities*. Likewise we are working with and through the WBSP to develop a longer term vision of the borough, Vision 2021. Other white paper changes relating to the Local Development Framework are also being built into our plans for the future.

The council is determined to take the maximum benefit from these changes so that our key plans and strategies are developed in a way which reflects local needs and priorities, using information in a way that ensures those plans and strategies are aligned, and complement each other. We are working to establish, for the council, and the WBSP, beyond 2008:

- a common vision for the Borough, to a common timeframe (2021, with a mid point towards that date of 2013 or 2014)
- a common understanding of the Borough, its communities and its people, including forward projections
- a common understanding of resident expectations

### Our Local Compact - working with community and voluntary organisations

At the same time our Community Plan was launched, the WBSP also launched a renewed and expanded Local Compact. This is an agreement between local public services including the council, the health service, and others, with the community and voluntary sector, operating within the framework provided by the WBSP. Its aim is to help ensure effective joint working towards our common goals and vision for the borough of Walsall.

### The Council's Vision

Following extensive consultation with partners and the community, the council adopted its Vision for Walsall (2004 - 2008). Our vision is one of a borough that is prosperous, forward-looking, self confident and optimistic – a place where individuals and groups can thrive and develop. To achieve this ambition we are addressing key priorities for local residents, through our ten strategic priorities and which underpin our vision for the future:



Ensure a clean and green borough  
Make it easier for people to get around  
Ensure all people are safe and secure  
Make our schools great  
Make Walsall a healthy and caring place  
Encourage everyone to feel proud of Walsall  
Make it easier to access local services  
Strengthen the local economy  
Listen to what local people want  
Transform Walsall into an excellent local authority.

We believe these are critical issues for a successful borough that will demand sustained effort to 2008, and in the years beyond.

### 3. Our core values

Our five core values of **respect**, **integrity**, **equality**, **listening** and **excellence** signal to everyone the beliefs, behaviours and principles that underpin all that we do. They are central to our approach, and will guide us towards our vision for the borough and its people. These shared and agreed values set out what the council stands for and how it will behave:

*The council will **respect** its staff and citizens, act with **integrity**, value **equality** and diversity, **listen** to what people say, do what we say, and strive for and deliver excellence.*

The council is working to embed these values in the day to day practices of every service. The values are reflected in recruitment and retention processes and training programmes, including in particular our induction programme for new employees. They are also reflected in our human resource policies, practices and procedures and through all organisational development activities across the organisation.

### 4. Understanding our community

#### Using data and feedback

The CIPPF is underpinned by the use of primary data, analysis and stakeholder feedback to undertake needs analysis to support the design and delivery of services. The People and Place Perspectives: A Picture of Our Community document is one way in which this is achieved. Key headlines illustrating the wider context in which the council works include:

- Walsall Borough has a population of 253,300; a steady decline from just under 254,000 in 1991. However, since 2001 it has increased slightly (100 more). Official Government projections show a continued decline to 2021. This has a potential significant impact as Government funding is based on population and this means we are likely to have to respond to national and local challenges with a smaller proportion of the national funding allocations. In addition, Walsall has relatively high

dependency population, as the following figures show, meaning that fewer people of working age and a higher dependency on council services.

- 33% of residents are aged under 25, compared to a national average of 31%; 20% are under 16 (national average 18%).
- 22% of residents are over 60, compared to a national average of 21%
- Current unemployment levels are 4.4% (2006) compared to 3.4% in 2005.
- Out of 354 local authorities in England and Wales, Walsall ranks in the top 50 most deprived for measures of income and employment. For each measure, Walsall ranks in at least the top 20% most deprived districts in England. Walsall is also one of the most diverse Boroughs, containing some of the most deprived areas in England and Wales and also some of the most affluent.
- 2001 Census figures show that in Walsall there are c14% who are from minority ethnic backgrounds.
- Minority ethnic residents' backgrounds are predominantly Indian (40%), Pakistani (27%), Bangladeshi (7%) and Mixed & Black Groups (10% and 10% respectively).
- 27% of households rent from registered social landlords, including the Walsall Housing Group (WHG) and WATMOS; compared with 19.2% nationally. 4% (9% nationally) rent from private landlords and 64.7% are owner-occupiers (69% nationally).

#### Fair, accessible and equitable service delivery

The council is committed to making it easier for all to access local services and values equality and diversity. Therefore equality impact assessments are being undertaken so that services and buildings can be examined to see how accessible they are to the public. Improvements are being highlighted in annual service improvement plans. Our overall aim as set out in the Equality and Diversity Strategy is:

*The council continues its commitment to deliver an equality standard for Walsall Council that will ensure all our service users receive services that meets their individual needs*

Council staff are trained on equality awareness and to be sensitive to cultural and religious differences. The council organises interpreters where needed and on request provides information in alternative formats such as Braille or audio-tape.

We are developing a Community Cohesion Strategy and action plan and aim to promote equality of opportunity, social inclusion, good community relations and celebrations of the contributions of the different local communities. Through the racist incident monitoring procedure and the forthcoming new harassment recording procedure, we are committed to tackling any harassment and discrimination of minority groups within the local area and supporting those minority groups and individuals.

The council is committed to measuring its progress on promoting equality and diversity through the Equality Standard for Local Government. The aim is to achieve all 5 levels of the Standard by March 2012, having already achieved levels 1 and 2:

- Level 1: Commitment to comprehensive equality policy
- Level 2: Assessment and consultation
- Level 3: Setting equality objectives and targets, by March 2008.
- Level 4: Information systems and monitoring against targets, by March 2010 and
- Level 5: Achieving and reviewing outcomes, by March 2012.

The council is committed to reflecting the diversity of our communities in all that it does and meeting the diverse needs of communities and individual residents. Our Equality & Diversity Strategy ([www.walsall.gov.uk/equality\\_and\\_diversity\\_strategy](http://www.walsall.gov.uk/equality_and_diversity_strategy)) sets out our key commitments in the three major roles of the Council: community leadership/engagement, service delivery and major employer: and the action plan 'Our Framework for Action'. Other actions appear in our equality schemes. The council's commitments are:

### **Community leadership**

- recognise, understand and respect each others differences and celebrate both differences and similarities
- promote equality across the borough, across all geographical areas and with all partners

### **Service delivery**

- appreciate and aim to meet the needs of our communities, both majority and minority communities and to appreciate local citizens as individuals
- ensure fair treatment of all and the elimination of discrimination
- understand that treating all people the same is not enough; we need to recognise diversity

### **Employer**

- achieve a workforce that is representative of the communities it serves
- ensure employees are treated fairly at work in an environment that is free from discrimination and harassment

### Listening to local people

For our services to meet the needs of local residents, and of the community at large, it is essential that our plans and policies reflect the views of local people, and others who use our services. We aim to be a listening organisation and we use a wide range of consultation methods to understand better what matters to residents. As a result, we have amassed a great deal of information, which has been used to inform both the service planning and budget processes.

Our feedback shows residents are more satisfied with the way the council runs things, evidencing that things are improving. Key headlines are set out below with further information contained in the document "People & Place Perspectives: A Picture of our Community":

### *Continued recognition of improvements to services being delivered to local people*

- 56% of a recent survey indicated that they were satisfied with the way that the council runs things, an increase of 22% from a similar survey in 2003
- 83% were satisfied with provision of street lighting and refuse collection services
- 78% of Citizens' Panel respondents recognise that recycling has improved

### *Better and increased communication with residents providing appropriate information*

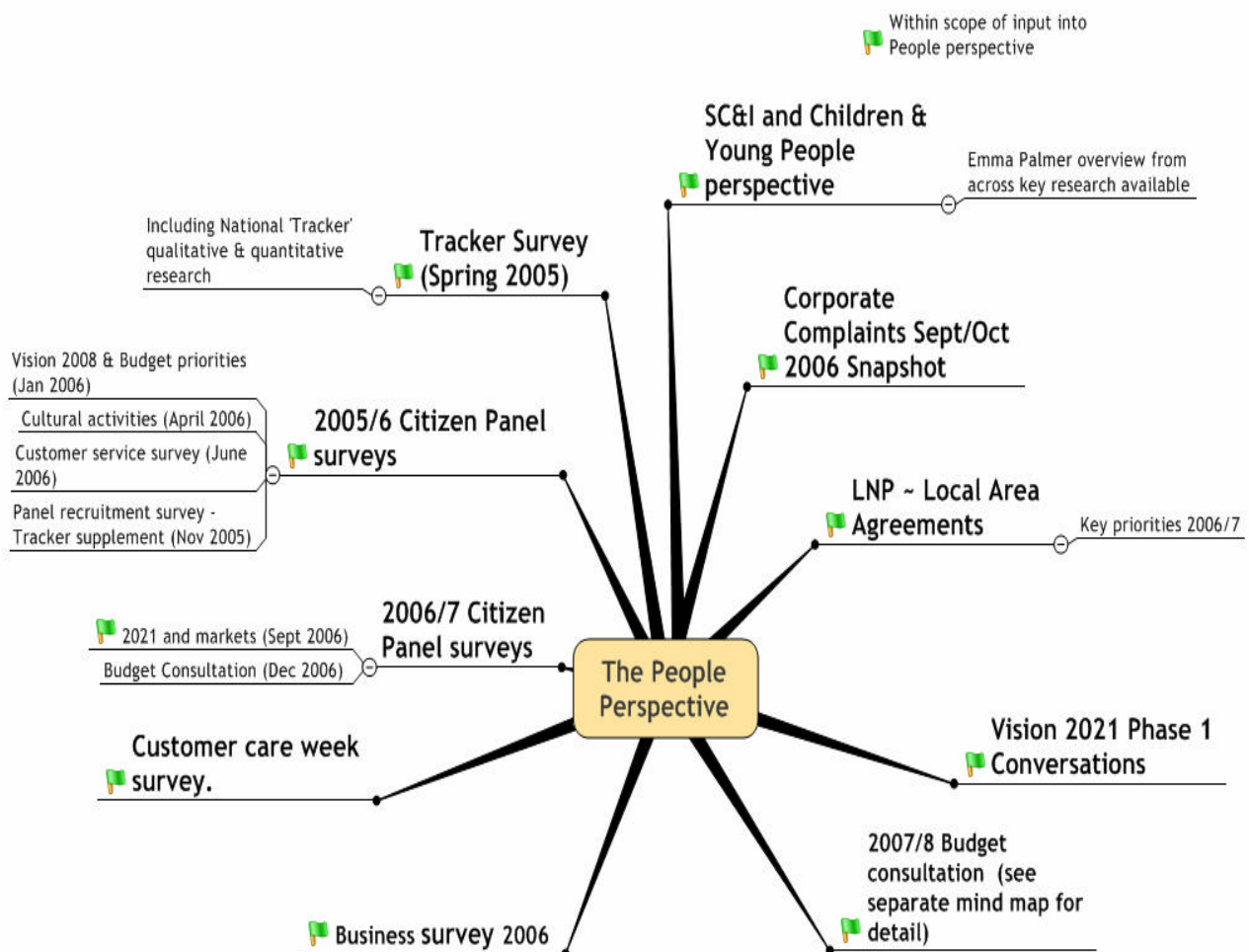
- 69% of respondents feel the council keeps residents well informed about the services and benefits that it provides
- 67% believe the council provides just the right amount of information
- 63% are satisfied with the ease with which they found the right person

### *All ten elements of Vision 2008 are still considered to be priorities*

- 72% of the citizens' panel confirmed that all aspects of Vision 2008 are important to them. Of the 10 vision priorities, 9 were important to over four fifths of the panel
- Ensuring all people are safe and secure; listening to what local people want; making our schools great and a clean and green borough were identified as the key priorities within the council's vision for 2008 during consultation for the council's 2006/07 budget.

Figure 2 shows the consultation activity undertaken in 2006 and 2007.

**Figure 2: Consultation used to inform the “people perspective”**



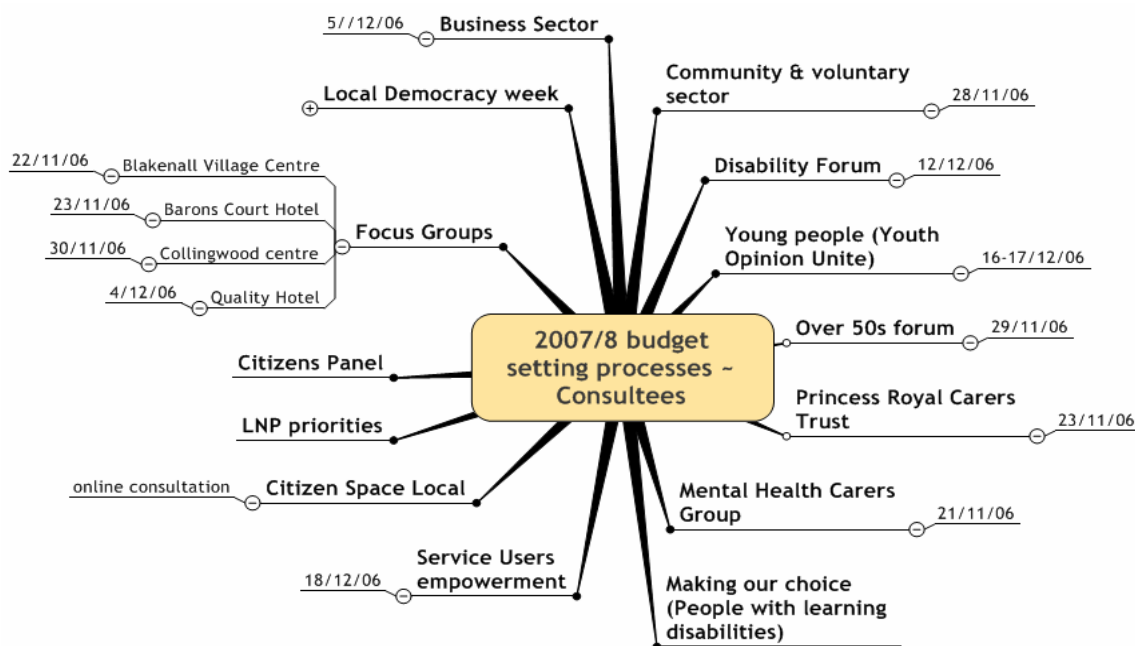
However, whilst Walsall people are telling us they can see a real difference in the way their council works and services them. It is recognised that there is more to do. Priority areas for improvement identified by local people are:

- Clean streets, activities for teenagers and young people, road and pavement repairs and reducing levels of crime were all identified through the citizens' panel as important for improving local areas to live
- Waste collection services, roads and pavements, fly tipping, open spaces, young people, crime, anti-social behaviour, condition of school buildings, health services, education provision, job opportunities and the overall image of Walsall were all identified as important priorities through consultation for the 2007/08 budget

### Budget consultation 2007/08

For many years we have also undertaken specific budget consultation to inform our budget setting processes. The budget plan has been informed by a broad range of consultation outcomes, arising from the council's consultation strategy and the principles of the Local Compact. **Figure 3** shows participants in the 2007/08 budget consultation process.

**Figure 3: participants in the 2007/08 budget consultation process**



The key headlines from feedback received between November 2006 and January 2007 are contained in reports submitted to cabinet in January 2007 and "People & Place Perspectives: A Picture of our Community". The feedback has been used to inform budget decisions and **Section 8** of this plan provides further detail of how these have informed cabinet pledges for 2007/08.

Internal consultation has involved the employee relations' forum and scrutiny & performance panels. Scrutiny & performance panels were each given two opportunities to comment, in November on the draft proposals prior to consideration by cabinet, and in January/February, following receipt of cabinet's draft budget. A number of recommendations of each panel were taken on board and were included in the draft proposals.

Following consideration of the Panels' recommendations at the January cabinet meeting and further deliberations, the following changes were made to the draft budget and are reflected in the figures in this plan:

- Removal of the proposal to cut the central library opening hours (£39,450)
- Deferral of the proposal to reduce sweeping/litter picking frequencies (£172,000)
- Additional investment for local neighbourhood partnerships of £5,000 per ward (£100,000)
- Additional investment in the Summer Programme (£50,000)
- Preparation for the Joint Area Review due to take place in January 2008 in Children's Services (£50,000)
- In addition, to adopt the Scrutiny Panel's recommendation that staff/member car parking charges should be increased in line with those for public car parks (£74,000 income)

## 5. Financial planning: matching resources to vision and the 2007/08 revenue budget

### The Medium Term Financial Strategy (MTFS)

The MTFS is a strategic framework and policy document within which the council's finances are constructed and managed. It is part of a suite of policy documents that together comprise the council's approach to effecting sound governance and good practice (ie: the CIPPF). It is the translation of our vision, aims and objectives into a financial plan, which thereby facilitates delivery of these through the service planning process.

It is a key document in bringing together the level of available resources with the demands for service delivery and investment, facilitating sound financial and service risk and opportunity management. It also links to the impact on the council's capital resources and external funding opportunities.

A major review and update of the MTFS was undertaken and endorsed by cabinet in November 2005. The 2006 update includes further strengthening of the operating principles governing the council's day to day financial management; in particular the capital programme and budget realignment.

**Figure 4** shows the relationship between the various components of the financial framework. The MTFS is the overarching corporate financial policy. It sits below the corporate plan and above the other elements of the financial cycle. The MTFS is the driver for all other financial activity, which is aligned with service planning and performance management activities within the CIPPF (see **section 1**). Below the MTFS sit the other financial strategies; the capital strategy and the treasury management strategy.

The main objectives for the council relate to maintaining good underlying financial health, adoption of a longer-term perspective, a desire to deliver good quality, value for money



services which are modern, efficient, effective, and fit for purpose and to ensure this approach facilitates delivery of the council's vision, aims and objectives.

For several years the council has adopted a policy-led, medium term approach to financial planning. We seek to ensure our budgets are clearly linked to our vision, aims and objectives. Having successfully stabilised our finances in 2003 after more than a decade of significant and continuously worsening challenges, we are committed to maintaining financial stability and delivering value for money through effective and efficient services.

**Figure 4: financial elements of the CIPPF**

FINANCIAL STRATEGIES, PLANS & PROCESSES WITHIN THE CIPPF					
CATEGORY	OVERALL	REVENUE	CAPITAL	TREASURY MANAGEMENT	RISK MANAGEMENT
Strategies	MTFS				
			Capital Strategy	Treasury Management Strategy	Risk Management Strategy
Guidance	CIPFA & technical guidance	Budget Guidelines	Capital Guidelines	CIPFA Code of Practice for TM	Risk Management Toolkit
Plans	MTFP	Annual Budget	Capital Programme & AMP	Treasury Policy Statement	Risk Management Action Plans
Governance	Constitution	Budget Management & Control Manual & SIC		Prudential Indicators & Annual Report	Risk Register reporting and regular review
	Contract & Finance Procedure Rules				Audit Cttee Reports & annual report
	Internal & External Audit Plans and our response to inspection and audit				

Our eight key objectives are to ensure that:

- *Our financial planning and management contributes to the transformation, development and improvement of the organisation through policy-led resource allocation, the use of options appraisal, income maximisation, and the creation of headroom through savings and efficiency.*
- *Our budget is set to enable delivery of the Council's defined priorities, ensuring that resources are allocated according to the corporate vision, aims, objectives and pledges.*
- *Our financial standing is stable and sustainable, so we are able to meet our expenditure commitments throughout each financial year and end each financial year with the working balance broadly intact.*
- *Our financial planning and budgeting is undertaken on a medium-term, policy led basis, to ensure that the impact of decisions of one year are reflected in the future*

*outlook, and that future developments with financial implications are proactively identified and managed.*

- We seek to deliver value for money in what we do, consider this within the various aspects of our corporate planning, identifying efficiencies and improvement and demonstrating this in measurable ways.*
- We adopt a mixed economy of service provision, where partnership, joint ventures and commissioning, outsourcing, in-house provision, consortia and all other options for service delivery are explored, appraised, and implemented with the aim of delivering good services, value for money and continuous improvement.*
- We work with our external partners, (including but not restricted to: health, police, Education Walsall, third sector) to share and optimise resources, improve services, and deliver value for money.*
- Our budget is linked to performance measures so we can assess the effectiveness of resource allocation by using a combination of performance indicators, trend analysis, benchmarking and year on year comparison.*

### The Budget Process

The budget process is a continuous annual cycle. Budgets are prepared using approved budget guidelines and updated as required. The draft budget provides for full inflation, pay awards and contractual inflation. The budget cycle is shown at **Annex 1**.

### 2007/08 Budget Headlines

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

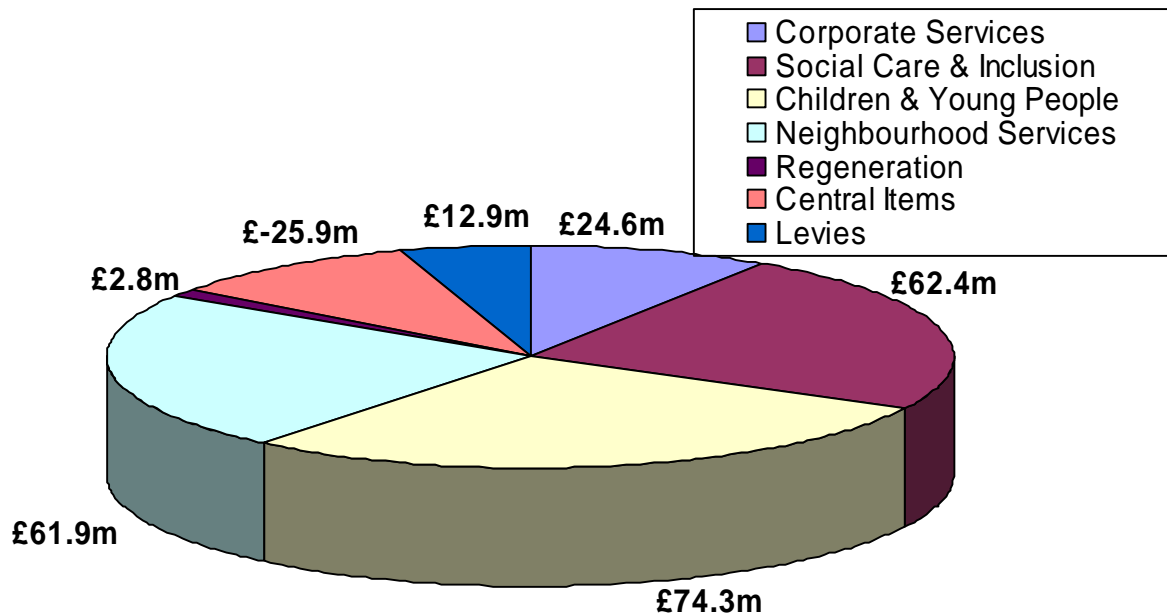
- A focus on a policy-led, medium term, risk assessed budget setting approach using corporate priorities established by Cabinet,
- A total net budget of **£212.924 m**
- A council tax increase (excluding precepts) **of 3.89%**, equivalent to a band D council tax of **£1,246.87**
- Full provision for pay awards, routine and contractual inflation and currently estimated demands, legislative changes and trends (£9.906 m).
- Funding council wide pressures (£3.965 m)
- Full year impact of investment choices approved in 2006/07 (£1.465 m)
- Full year impact of efficiencies and savings approved in 2006/07 (£1.097 m)
- Additional investment of £2.473m focussed at front line services, corporate core infrastructure, and key developments.
- Savings, fees and charges increase and service re-alignments of £7.767 m to support new investment and maintain a modest council tax increase
- Appropriate use of prudential borrowing to support capital investment where affordable and sustainable with revenue costs being reflected in this report.
- Inflationary and other cost pressures recognised in the budget,
- An opening general reserve **of £4.60 m** established using risk assessment



A separate report covers the draft capital programme 2007/08 to 2011/12. The financial implications arising from this are contained within the draft revenue budget.

### 2007/08 Budget Details

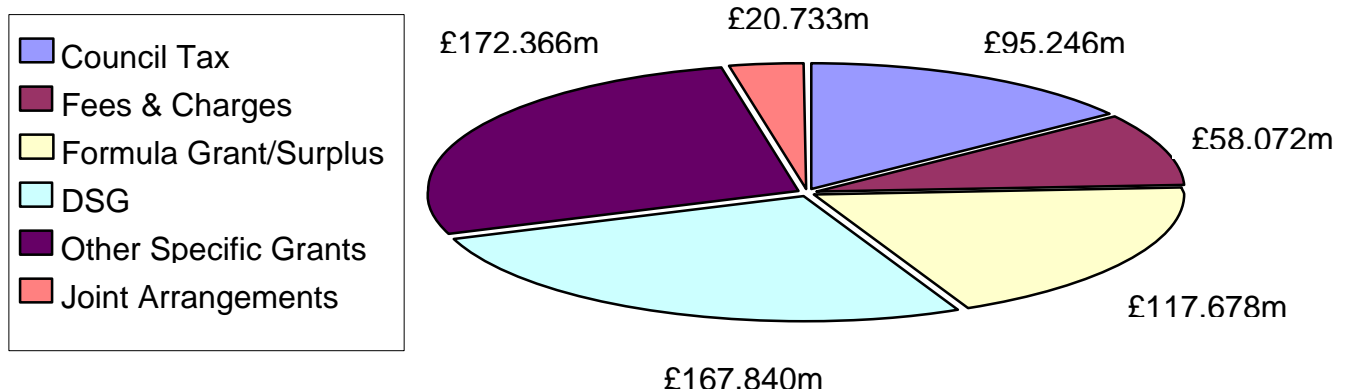
The gross revenue budget for 2007/08 will be **£630.870 m** and gross income will be **£417.946 m**, resulting in net spending on services of **£212.924 m**. **Figure 5** provides a breakdown of the draft net spending by directorate.



**Figure 5: draft net revenue budget requirement**

The council receives income from a number of sources including council tax, central Government grant and specific grants to help pay for certain services including schools and social care. The council also charges for parking, use of leisure facilities and other services. In 2007/08 the council tax will account for **c4.8%** of total income. **Figure 6** shows all the main sources of income.

**Figure 6: sources of funding 2007/08**



This budget has been constructed in a challenging national environment. The impact of the nationally increasing costs of waste management and social care, and additional legislative pressures have been felt by Walsall Council. The key financial drivers are shown in **Table 1**.

**Table 1: key financial drivers**

	£ million	
2006/07 budget requirement	203.978	
Baseline adjustments 2006/07	-0.555	
Adjusted 2006/07 budget requirement	203.423	
Pay and price inflation	8.424	
Financing and other changes	2.406	
Service investment	2.473	Annex 2
Council-wide pressures	3.965	Annex 3
Efficiencies, savings and increased income	-7.767	Annex 4a-c
<b>2007/08 Net Draft Budget Requirement</b>	<b>212.924</b>	Annex 5

### Formula Grant

The Government provides funding to councils through the Formula Grant. For Walsall in 2007/08 this is £117 million and therefore represents about 55% of the council's overall net budget requirement and as such has a significant impact on the level of services the council can afford to provide. Any budget requirement over and above the level of grant has to be borne either via council tax payers and/or users/recipients of services.

Formula Grant is a complex calculation within various blocks based on relative needs, population, demographic data, the tax base and "floor damping". The dampening mechanism ensures no council receives less than a 2.7% annual increase and so acts a safety net for those councils that would otherwise lose out in grant.

These new funding arrangements were introduced in 2006/07. At the same time, the funding of schools was removed from Formula Grant and Government now provides a separate ring fenced grant for schools; the Dedicated Schools Grant (DSG). In 2007/08 this will be approximately £168 million, equivalent to a 7.4% per pupil rise over 2006/07. The final allocation will be available in July following a pupil count in January. The Government will release further 3-year settlements for the period 2008/09 to 2010/11 following the spending review in 2007.

Whilst Walsall's grant increase was above the national average in 2007/08 at 4.1% as opposed to a national metropolitan average of **3.5% (3.8% for England)**, as a result of the use of this floor damping Walsall's Formula Grant for 2007/08 was reduced by £3.5 million (in addition to £3 million in 2006/07). The indications are that this 'dampening' method will continue to be used. The Formula Grant allocation for Walsall is set out in **Table 2** and increases over the last 5 years in **Table 3**.

**Table 2: formula grant**

	2007/08 £ million
A basic needs allowance of £348.35 per resident	<b>87.6</b>
A deduction for estimated local tax resources	<b>- 10.4</b>
Central allocation – a ‘top up’ per head	<b>43.3</b>
<b>Total grant</b>	<b>120.5</b>
A deduction for our contribution to the floor safety net	<b>- 3.5</b>
<b>2007/08 total grant (adjusted for damping)</b>	<b>117.0</b>
2006/07 formula grant (adjusted)	<b>112.4</b>
2007/08 grant increase (adjusted)	<b>4.6</b>
2007/08 grant increase (adjusted) - %	<b>4.1%</b>

**Table 3: increases in formula grant**

	2003/4	2004/5	2005/6	2006/7	2007/8
Walsall	8.8%	5.0%	6.4%	2.4%	4.1%
Metropolitan Borough Average	8.2%	5.2%	5.5%	2.6%	3.5%

Council Tax

Most properties in Walsall fall into the lower bands, with **83.57%** in bands C and below and **92.35%** in bands D or below as shown in **Table 4**.

**Table 4: numbers of properties in council tax bands.**

BAND	A	B	C	D	E	F	G	H	TOTAL
<b>PROPERTIES (No)</b>	49,356	24,668	16,540	9,519	5,294	2,216	722	53	108,368
<b>PROPERTIES (%)</b>	45.54	22.76	15.26	8.78	4.89	2.04	0.67	0.05	100
<b>CUMULATIVE TOTALS</b>	68.31%								
	83.57%								
	92.35%								

The 2007/08 net budget requirement is £212.924m (**Table 1**). This would result in a band D council tax for the Walsall Council element only of £1,246.87, a weekly increase of £0.90 and an annual increase of £46.70 or 3.89%. Most properties in Walsall (84%) are in bands A, B or C. This would be a weekly increase of £0.60 for band A, £0.70 for band B and £0.80 for band C (**Annex 6** provides further detail at each band). **Table 5** shows the calculation.

**Table 5: draft budget requirement and draft council tax levels 2007/08**

Element of Budget	2007/08 Budget & Grants £	Council Tax Band D £
Walsall Council net budget	212,924,092	
- Revenue support grant	-16,814,726	
- Business rates	-100,194,631	
- Collection fund surplus	-669,000	
<b>Walsall element required from council tax</b>	<b>95,245,735</b>	<b>1,246.87</b>
Police (estimated)	6,969,638	91.24
Fire & Civil Defence (estimated)	3,368,814	44.10
<b>Total from council tax</b>	<b>105,584,187</b>	<b>1,382.21</b>

*Notes:*

1. Based on an approved council tax base **of 76,388** Band D equivalents.
2. WMBC shown in this table net of use of reserves
3. The exact values of levies and precepts are not yet known, so estimates have been made.

**Collection Fund**

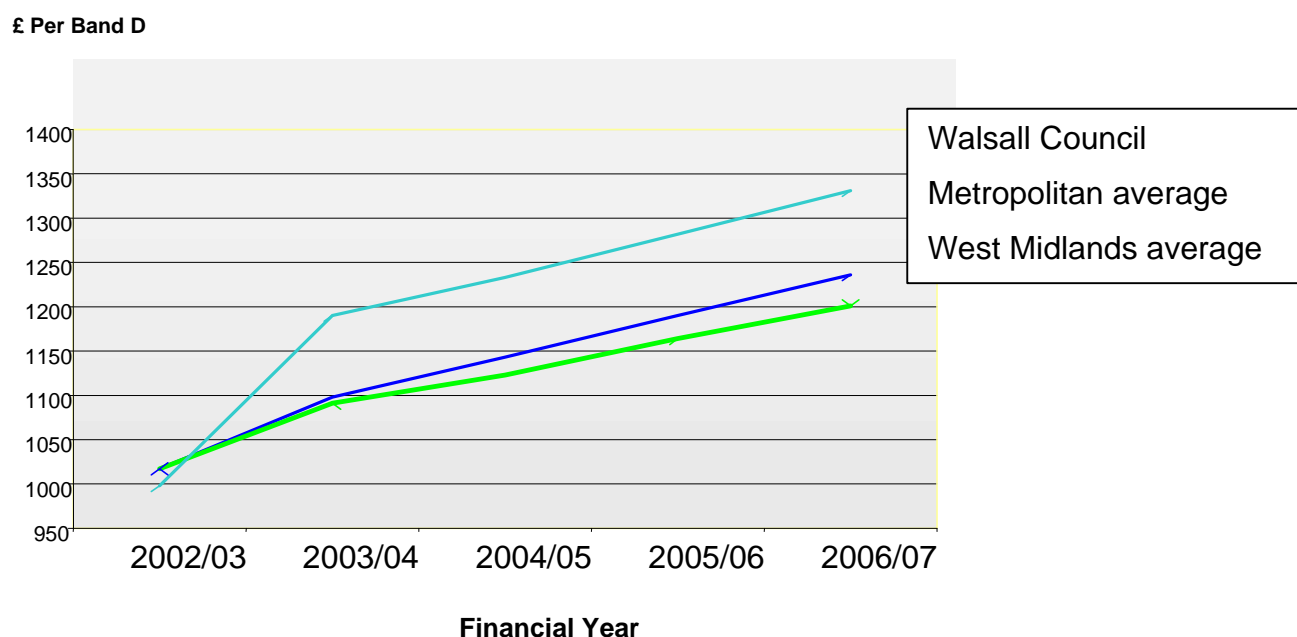
The collection fund is a fund separate to the revenue general fund which accounts for income collected from council tax. In January of each financial year, an in-depth appraisal is undertaken to assess the estimated level of collection (as aggregated to include that relating to the current and previous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

The assessment undertaken in January 2007 revealed an estimated surplus. When taking into account projections to the year-end, a useable surplus of c £669,332 is available. The impact of a £669k surplus on the fund allows the council to reduce the headline council tax increase for 2007/08. The net result is a draft council tax increase of 3.89%.

**Comparative Draft Council Tax Levels**

Walsall's council tax is above the West Midlands metropolitan council average. This is as a result of a conscious decision in 2003/04 to have a high increase to fund improvement and to correct previous policies of artificially dampening council tax levels by using one-off reserves. The strategy is to reduce this gap over the coming years and bring Walsall Council more in line with the average. In 2004/05, 2005/06 and 2006/07, and the draft increase for 2007/08 represent relatively modest council tax increases; working towards the achievement of this target. **Figure 7** shows the average council tax increases for Walsall compared to the metropolitan and West Midland's average and how this is narrowing the gap, in line with our strategy.

**Figure 7: council tax trends - £ per band D increases**



Comparative draft council tax levels for 2007/08 for other West Midlands or national councils are not yet publicly available. It is anticipated that Walsall's increase will be within the mid-range for unitary councils.

### Capping

The Government retains reserve powers to cap council tax increases where they are considered to be too high. Guidance indicates that councils approving a higher than 5% increase and/or with a net budget requirement increase above 6%, will be capped. It is considered highly unlikely that the proposed Walsall council tax increase of 3.89%, being modest single figures, and a net budget requirement increase of 4.4%, will result in capping. If capping did occur a revised (reduced) budget would have to be set.

### Levies and Precepts

**Table 6** shows estimated levies to be made on Walsall Council by the West Midlands Passenger Transport Authority and the Environment Agency, as formal notification has not yet been received. It will be necessary to table final figures at the cabinet and/or Council meeting.

**Table 6: estimated levies 2007/08**

Levy	2006/07	2007/08	Increase	Increase
	£	£	£	%
WM Passenger Transport	12,556,531	12,843,222	286,691	2.28
Environment Agency	81,106	93,482	12,376	15.26
<b>Total</b>	<b>12,637,637</b>	<b>12,936,704</b>	<b>299,067</b>	<b>2.37</b>

Walsall's precepting authorities are the West Midlands Police and Fire & Civil Defence Authorities. At the time of despatch of this report, formal notification of the precepts had not been received; therefore the figures in **Table 7** are based on informal notification, so amended figures will be tabled at the Cabinet and/or Council meetings if necessary.

**Table 7: estimated precepts 2007/8**

<b>Precepting Authority</b>	<b>2007/8 Amount £</b>	<b>Band D 2007/8 £</b>	<b>Band D 2006/7 £</b>	<b>Band D Increase %</b>
WM Police	6,969,638	91.24	87.55	4.21
WM fire and civil defence	3,368,814	44.10	43.18	2.13
<b>Total</b>	<b>10,338,452</b>	<b>135.34</b>	<b>130.73</b>	<b>3.53</b>

#### Value for Money (vfm)

The Audit Commission has rated the council as performing well in delivering vfm. The council scored 3 in its Use of Resources (UOR) score under the Corporate Performance Assessment (CPA) in 2006, and in the individual score for vfm. This indicates that the council is managing and using its resources well.

The 2007/08 budget further builds on the improvements delivered in the last two years by targeting its resources at key priorities. As well as the full year effects of 2006/07 budget proposals (£1.465m) new service investment totalling £2.473 million is also included.

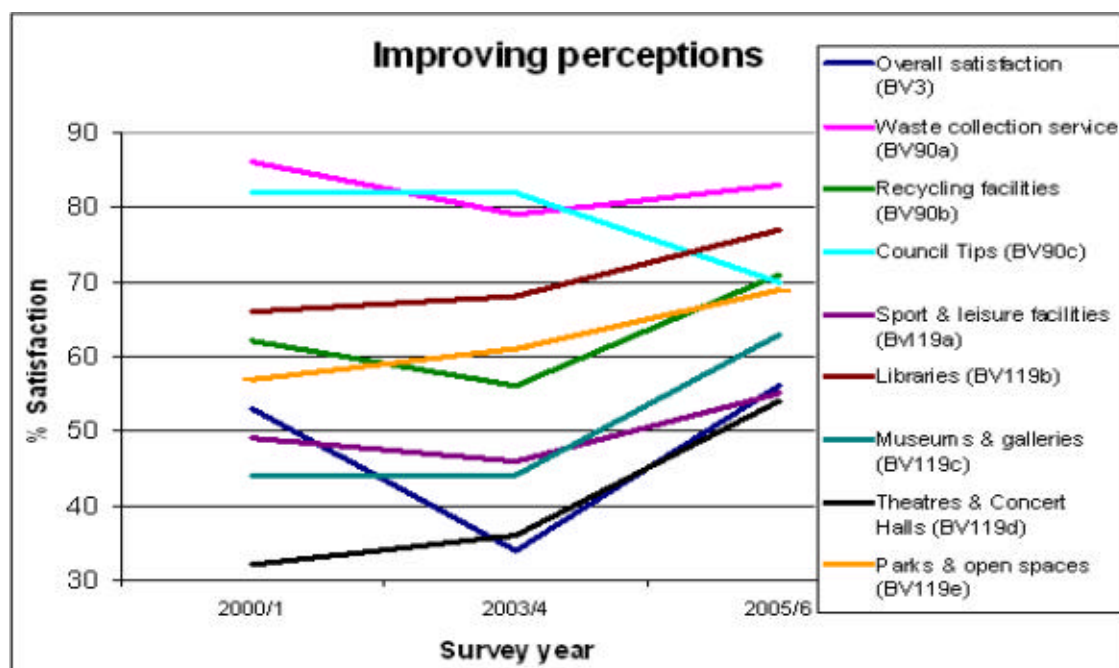
In addition, the draft capital programme 2007/08 – 2011/12 provides for significant capital investment, including the use of the Prudential Code and unsupported borrowing to fund c£17.5m of investment. The revenue implications of these decisions are included within the corporate revenue budget.

In order to meet service demand changes and cover inflationary costs pressures whilst maintaining a modest council tax increase, the council savings from across the council have been identified, totalling £6.175 million. Reviews of fees and charges have also taken place. These have released funding for other council priorities and investment. Further information is provided in **Annex 4**.

The above will also count against central Governments Gershon savings targets, another VFM measure, introduced as part of their spending review in 2004. Walsall was asked to achieve £19.8m over the 3 years, with £6.67m in 2007/08. It is expected these will be met.

In addition to the above, feedback from customers and residents indicate that overall satisfaction with the council has improved, as illustrated in **Figure 8**.

**Figure 8: improving perceptions**



## 6. Medium term financial outlook – 2008/9 plus

The council has a longstanding commitment to medium term financial planning. In alignment with work ongoing to revise and enhance the Vision beyond 2008, we are ensuring that resources are available to deliver our aims and objectives and the priorities and pledges that flow from that.

The future financial environment continues to be challenging for most councils. Both the spending review 2007 and the Lyons review into the structure and funding of Local Government will impact on future resources and funding decisions and plans. Key sources of funding, in particular formula and specific grant, are assessed on a regular basis, along with emerging cost pressures. The focus is on forward planning to ensure financial risk is managed and mitigated and all known liabilities are funded, including the cost of capital investment decisions.

The annual budget process requires services to calculate a provisional budget for the next 5 years.

The provisional budget beyond 2007/08 is summarised at **Annexes 7 to 10** and provides a baseline assessment of likely resources and investment pressures.

**Table 8** shows the current council tax requirement and an amount of efficiency savings required to achieve a scenario of council tax increases.

**Table 8: estimated council tax scenarios****Preliminary Figures**

<b>Description</b>	<b>2008/09 £m</b>	<b>2009/10 £m</b>	<b>2010/11 £m</b>	<b>2011/12 £m</b>
Net Budget Requirement	225.064	238.976	248.621	258.140
External Support	120.549	124.195	127.952	131.823
Net requirement from Council Tax	104.516	114.781	120.668	126.317
<b>CT %age Increase Requirement (excluding Gershon efficiencies)</b>	<b>9.59%</b>	<b>9.68%</b>	<b>4.99%</b>	<b>4.54%</b>
Efficiencies to achieve 3% increase	6.283	7.187	2.712	2.374
Efficiencies to achieve 4% increase	5.330	6.164	1.616	1.200
Efficiencies to achieve 5% increase	4.376	5.121	0.479	0

The council tax projections figures do not currently include any new Gershon efficiency savings for 2008/09 and beyond. It is clear that this Government policy will continue and early indications are that 3% cashable efficiencies will be required beyond 2007/8, equivalent to c£8m.

Some focussed work will be needed to achieve a less than 5% council tax increase in 2008/09, based on latest formula grant projections. Walsall Council has a successful track record of identifying ongoing efficiencies and savings. Work will start shortly to identify ongoing savings for 2008/09 onwards and therefore it is expected that the target will be met. The approach adopted in setting the budget of matching spend and investment to priorities is now embedded.

It is essential that in setting a budget for a particular year, the council has regard to the medium term outlook. The medium term financial goals and targets are updated annually, including using a comprehensive risk assessment approach to analysing and assessing the appropriate level of reserves.

### Reserves

The council's strategy is to continue to demonstrate financial stability and ensure council and service wide financial pressures are well managed. The Chief Finance Officer (CFO) advises on this in accordance with best practice, professional opinion and the council's MTFS. The draft budget contains c£3.965 m for council wide financial pressures (**Annex 3**). The strategy is to end each year with the working balance intact and to commence 2007/08 with general reserves of c£4.6 m. The revenue budget 2007/08 includes replenishment of general reserves to ensure a minimum opening balance of that level.

In accordance with sections 25 – 27 of the Local Government Act 2003 and to comply with CIPFA guidance on local authority reserves and balances, the CFO is required to formally consider and report to members upon the robustness of the estimates used for the purpose of calculating the budget and the adequacy of reserves and balances in respect of the 2006/07 budget. This section of the report has been written by the council's CFO (Executive Director for Corporate Services) and deals with the requirements of the Act and



professional guidance. Consideration of all these issues has been comprehensive and complex. **Annex 11** provides further information and signposts to the various activities, documents and other evidence that have contributed to the decision and declaration, and does not seek to reproduce them here. **Annex 12** analyses current earmarked reserves and general provisions.

### Financial Risk

The budget setting process includes a corporate financial risk assessment to determine key risks and their impact on the budget. Services undertake comprehensive risk assessments of their budgets by identifying risk factors, potential changes to service delivery and funding streams. This ensures that adequate corporate budgetary provision is available to cover unforeseen future events. This successful approach has been in place for several years and is used to inform the level of earmarked and general reserves. **Annex 13** shows the results of this exercise and the theoretical risk of between £1.22 million and £7.30 million of additional costs. However, it is highly unlikely that all these scenarios would arise. Managers are also required to deliver services within the available budget. Any known changes in service demand or costs arising from legislative or Government demands are identified and dealt with within the overall draft revenue budget as investment bids. The budgeted opening level of reserves is sufficient to cover the high and medium risk items. Any use of reserves in-year would require replenishment to ensure an opening general reserve of c£4.6 million, as required by the MTFS.

## 7. Capital investment

The Council has an asset portfolio of over £864 million. Therefore managing and maintaining these assets is a key issue for the council to ensure they continue to be fit for purpose and their value is maintained. The capital investment programme is key to delivering the councils vision and pledges

Due to the diverse nature of capital expenditure, each capital scheme impacts on residents in different ways according to their use of council facilities and services. Cabinet approved the current capital strategy on 29 November 2006. This strategic document drives the construction and management of the capital programme. The strategy reflects and enables delivery of the council's vision and priorities and approved schemes must deliver that aim. It also requires the council to optimise successful partnership working for example through the WBSP, tPCT, registered social landlords, the urban regeneration company (URC) and regionally with other councils.

The capital programme has been constructed by applying the principles and policies contained within the council's capital strategy and the medium term financial strategy. Projects are assessed to ensure they support the delivery of the council's vision and their implementation will demonstrate vfm.

The 2007/08 draft capital programme totals £66.82 million and comprises mainstream schemes of £32.233 million and specific grant funded projects of £34.587 million. This is to be funded by £9.573 million supported borrowing; £17.660 million unsupported borrowing, £5.000 million capital receipts and £34.587 million capital grants. The following tables

detail Walsall Council's draft capital programme 2007/08 to 2009/10. Prior to being funded all projects go through a rigorous approval process. Capital projects to be funded need to be well founded either in service plans or capital investment plans relevant to the service. Examples include the highways transport plan, schools building conditions survey, property framework and strategy and asset management plans.

**Table 9: mainstream capital programme by directorate**

<b>Directorate</b>	<b>2007/8 £m</b>	<b>%</b>	<b>2008/9 £m</b>	<b>%</b>	<b>2009/10 £m</b>	<b>%</b>
Children	6.490	20.13	6.392	29.11	5.600	27.98
Corporate	0.550	1.71	0.250	1.14	0.250	1.25
Neighbourhood	10.480	32.52	9.675	39.73	7.568	37.82
Regeneration	3.810	11.82	2.350	10.70	2.350	11.74
Social Care	5.813	18.03	4.244	19.32	4.304	21.21
Council Wide	5.090	15.79	0	0	0	0
<b>Total</b>	<b>32.233</b>	<b>100</b>	<b>22.911</b>	<b>100</b>	<b>20.071</b>	<b>100</b>

**Table 10: non-mainstream capital expenditure by directorate**

<b>Directorate</b>	<b>2007/8 £m</b>	<b>%</b>	<b>2008/9 £m</b>	<b>%</b>	<b>2009/10 £m</b>	<b>%</b>
Children	18.924	55	9.469	25	6.469	23
Corporate	0.000	0	0.000	0	0.000	0
Neighbourhood	10.236	30	24.800	64	16.960	62
Regeneration	2.606	7	2.302	6	1.252	5
Social Care	2.821	8	2.068	5	2.818	10
<b>Total</b>	<b>34.587</b>	<b>100</b>	<b>38.639</b>	<b>100</b>	<b>27.499</b>	<b>100</b>

Capital programme resources are limited. More projects are now being funded by grant and/or supported borrowing, which reduces the flexibility of the programme. The remaining flexibility is through capital receipts and unsupported borrowing. Capital receipts projections are in line with target; but we have restricted use of some of these, specifically those from the sale of allotment land, school playing fields and library land, which has been earmarked for the library development. Use of unsupported borrowing incurs ongoing revenue debt charges and impacts on council tax payers.

As capital resources will continue to be limited in the future, this will inevitably place more pressure on schemes such as aids and adaptations, private sector renovation grants and non-education repairs. Future funding of these will be more reliant on the council's ability to secure capital receipts from sale of land and buildings or afford additional borrowing.

## 8. Portfolio Summary and Pledges

The following pages outline the responsibilities and focus of cabinet along with key pledges in relation to the 2007/8 budget, in response to budget and customer consultation and in line with the councils vision.

## Leader of the Council

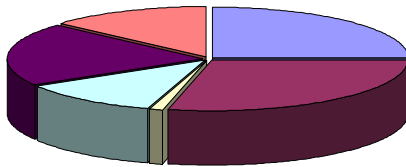


Councillor Tom Ansell

Our vision is one of a borough that is prosperous, forward-looking, self confident and optimistic – a place where individuals and groups can thrive and develop. To achieve this ambition we are addressing key priorities for local residents, through our ten strategic priorities and which underpin our vision for the future:

- Ensure a clean and green borough
- Make it easier for people to get around
- Ensure all people are safe and secure
- Make our schools great
- Make Walsall a healthy and caring place
- Encourage everyone to feel proud of Walsall
- Make it easier to access local services
- Strengthen the local economy
- Listen to what local people want
- Transform Walsall into an excellent local authority.

### 2007/8 Net budget (excludes capital charges)



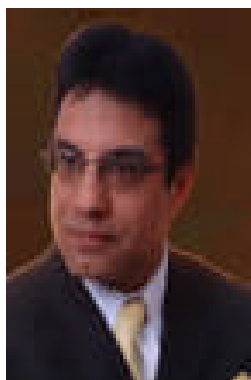
Corporate Resources	£24.606m
Neighbourhood Services	£53.148m
Social Care & Inclusion	£60.846m
Children & Young People	£42.92m
Central Items/Levies	£28.614m
Regeneration	£2.79m

We believe these are critical issues for a successful borough that will demand sustained effort to 2008, and in the years beyond.

The priorities and pledges for 2007/08 have been developed in the context of the councils on-going analysis and assessment of the borough, its communities and local needs and priorities. The pledges on the following pages also reflect views expressed by partners and residents including during budget consultation. Achievement of these pledges will significantly improve local services for residents and enable local people to judge how well the council is doing. Progress will be reported to citizens in the publication, Walsall Pride.

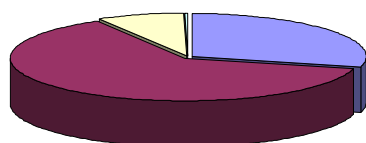
# Children's Services

## Portfolio Holder



Councillor Zahid Ali

## 2007/8 Net budget (excludes capital charges)



- Education £12.387m
- Children & families £26.826m
- Youth Service £3.506m
- Parent Partnership £0.116m

## Focus of the Portfolio

Implementing the Children Act, education services, including the relationship with Education Walsall, social care (children) safeguarding and promoting welfare of children, looked after children and corporate parenting, care leavers, inter agency cooperation, involvement of children and young people, youth parliament, children's trust arrangements, youth offending services, youth service, summer activities programme, school meals, school music services.

## Customer Consultation/Feedback

96% of those consulted view education as important to local quality of life. Asked to rank 5 issues in importance, 'aspirations of pupils should be raised' was ranked joint top. Local people surveyed also had a negative net perception of improvements in quality of school buildings.

## Our Pledges

We will increase the number of young people obtaining 5+ A\*-C or equivalent including English and Maths from 1,333 to 1,510 (13.3% increase).

	£m
Dedicated schools grant	166.775
School building repairs *	2.000
Re-provisioning of education services	0.589
Joint Area Review	0.050

We will spend at least £15 million on improving the quality of school buildings.

	£m
Schools access initiative *	0.522
New pupil places *	0.930
Modernisation - primary schools *	2.010
Modernisation - secondary schools *	1.898
Mary Elliot, Daw End & Joseph Leckie *	9.203

\* *Capital*

By March 2008 we will deliver a further seven Children's Centres across the borough, increasing the total to sixteen such centres in all.

	£m
Children's centres (phase 2)	2.575
Refurbishment of youth centres	0.100

	£m
Summer programme of activities	0.050

# Social Care, Health and Housing

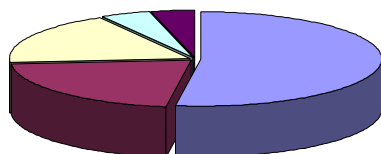
Portfolio Holder



Councillor Alan Paul

## 2007/8 Net budget

(excludes capital charges)



- Older persons £32.214m
- Learning disabilities £13.249m
- Other adults £11.191m
- Housing £2.746m
- Support services £2.440m

## Focus of the portfolio

Care services for older people and people with learning disabilities, people with physical disabilities and people with mental health needs, health partnership and the public health agenda, community meals and supporting people. Strategic housing role, housing partnerships, private sector housing, homelessness, and relationship with Walsall Housing Group (WHG).

## Customer Consultation/Feedback

36% of residents consulted placed social care in top 5 services for more funding. Those consulted sought more support for the voluntary sector, as it provides key support for particularly vulnerable residents; including issues around take up of care packages amongst BME groups. It was also recognised that carers want time off from their caring role.

96% of those consulted view health services as important to local quality of life. Supporting programmes to tackle obesity was mentioned, as was the fact that LNP's are recognising importance of tackling health priorities for their areas.

Safe and decent housing was seen as a priority for vulnerable people.

## Our Pledges

We will increase by 15% the number of people in receipt of care packages within our BME communities. This amounts to an increase of approximately 50 episodes of service.

	£m
Understanding and meeting BME needs – new investment revenue (over next 5 yrs)	0.640

We will increase the percentage of vulnerable households in the private sector living in a safe and decent home to 67.9%.

	£m
Private sector renovation grants – capital	3.000

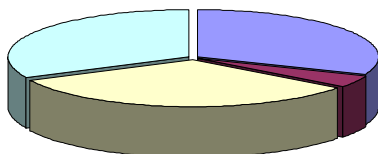
# Resources

## Portfolio Holder



Councillor John O'Hare

## 2007/8 Net budget (excludes capital charges)



- Capital financing £13.018m
- Levies £12.936m
- Finance £12.477m
- Other £1.609m

## Focus of the portfolio

Strategic and operational financial management, insurance and policy led budgeting. Property, financial regulations, audit, legal services, constitutional services.

## Customer Consultation/Feedback

80% of those consulted agreed that local access points to services would be valued by elderly in particular also for general enquiries and council tax payments. People stated their appreciation for the first stop shop and want more local first stop shops. Although our external regulators have assessed our vfm as effective, consultation responses show that this is not yet recognised by all stakeholders.

## Our Pledges

We will commence payment of benefit for new claims more quickly, improving our performance by 10%, increasing the health, wealth and well being of our citizens.

	£m
Efficiencies and improvements to benefits service	0.208

We will reduce the amount of office space we use by 20% over a five year period by making better use of the accommodation we have in the town centre.

	£m
Efficiency saving included in budget (over 5 years)	0.617

**In addition, we will ensure we meet our Gershon savings target allocated by central Government of £6.7m.**

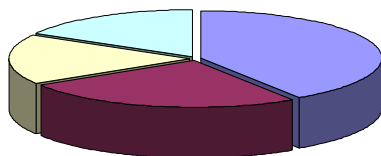
# Regeneration & Enterprise

Portfolio Holder



Councillor Adrian Andrew

## 2007/8 Net budget (excludes capital charges)



- Physical regeneration £1.139m
- Environmental regeneration £0.709m
- Planning services £0.474m
- Other services £0.468m

## Focus of the portfolio

Economic development, urban regeneration company (URC), physical development, environmental regeneration, markets, New Deal for Communities (NDC), Black Country Consortium and West Midlands regeneration issues. Town and district centres, gateways and corridors. Planning policy, strategic transport and highways and local development framework.

## Customer Consultation/Feedback

Businesses consulted feel that the council should maximise use of local firms and suppliers and help new firms to bid for council contracts. 52% expressed satisfaction with Walsall as a business location. People consulted welcomed the regeneration improvements i.e. town wharf, civic quarter; they see this as important to the local economy. People also thought that the economy would be strengthened if there was better knowledge of benefits available to assist families.

## Our Pledges

We will spend £400,000 on further improving our major transport corridors and entrances to the borough and £500,000 on local environmental improvements throughout the Borough.

	£m
Strategic corridors and gateways – capital	0.400
Environmental regeneration – capital	0.500

We will continue to work with Walsall Regeneration Company to progress a series of economic and physical projects including St. Matthew's phase 3, Littleton Street Office Corridor and Darlaston SDA, and to assist the start on site of Waterfront phase 1, the new college and Shannon's Mill.

	£m
Darlaston Strategic Development Area – capital (to generate an additional £14m of external grant)	0.200
Regenerating Walsall – capital	0.500

We will establish or support existing business forums in the five main District Centres to help improve communications with existing and new businesses.

	£m
Project to cover all 5 main district centres and business parks (Local authority business growth funding)	0.350

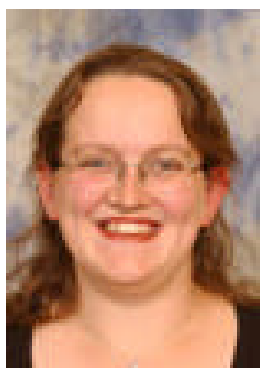
We will deal with your householder planning application within 7 weeks unless it needs to go to the Development Control Committee.

	£m
Funding of planning service – revenue base budget	0.130



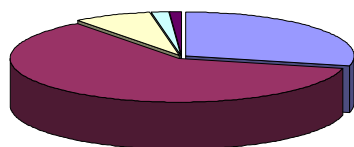
# Environment & Street Pride

Portfolio Holder



Councillor Rachel Walker

## 2007/8 Net budget (excludes capital charges)



- Street pride £19.956m
- Engineering & transportation £9.286m
- Public protection £2.403m
- School crossings £0.517m
- Other neighbourhood services £0.392m

## Focus of the portfolio

Traffic and transportation, car parks, waste management, clean and green agenda, sustainability, environmental health, cemeteries and crematoria, licensing, pollution control, coroner service and registrars.

## Customer Consultation/Feedback

97% of residents see clean streets as single important factor influencing neighbourhood satisfaction. Cleanliness (litter) is the biggest driver for resident satisfaction. People would really welcome improvements to cleanliness standards and a reduction in fly tipping. People consulted were relatively pleased with recycling but wanted to see more - e.g. plastics. Some people were disappointed not to have a brown bin.

People saw low pollution and reduced congestion as key for local quality of life. There were complaints that the work on the ring road had caused parking space losses. The need for good bus services and accessibility to goods and services is a key issue for the elderly and this has been affected by the congestion. The business community are keen to see a quick completion of the ring road.

There was a perception that footpaths and public rights of way need improvement. There were also complaints about the conditions of footpaths.

People also revealed they don't feel safe at night when travelling in and out of Walsall town centre.

## Our Pledges

We will extend the garden waste collection service to a further 16,500 households across the Borough.

	£m
Garden waste kerbside collection service - capital	0.289
Expansion of garden waste kerbside collection – new investment	0.198
Disposal costs of green waste – new investment	0.108
Further investment in home composting scheme	0.040

We will run at least one clean up campaign in each LNP area.

	£m
Project funding for campaign	0.150

We will trial a taxi marshalling scheme and temporary taxi ranks so that visitors to Walsall town centre find it easier and safer to get home at busy times.

	£m
Funded within town centre management base budget	0.030

## Our Pledges Continued

We will reduce congestion by beginning construction of the ring road around Walsall town centre.

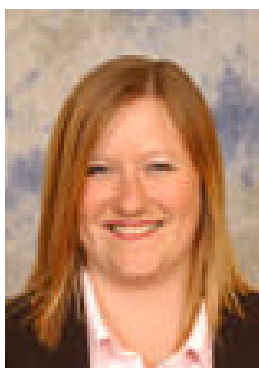
	£m
Town Centre Transport Package – capital	5.412

We will improve our public rights of way by tidying them up and improving signage.

	£m
Maintenance of new grounds sites – new investment.	0.120

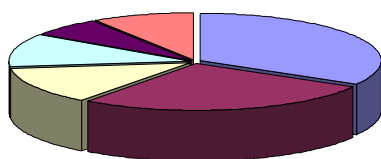
# Leisure & Culture

## Portfolio Holder



Councillor Louise Harrison

### 2007/8 Net budget (excludes capital charges)



- Libraries & heritage £6.006m
- Greenspaces £4.832m
- Sports £2.301m
- New Art Gallery, Arts & development £2.027m
- Other services £1.653m
- Management services £1.150m

### Focus of the Portfolio

Parks, leisure and culture services including the Art Gallery, libraries, adult learning, sports, museums and twinning. Mayor's Office.

### Customer Consultation/Feedback

People consulted really appreciate the library modernisation programme and welcome the joining up of services in one place.

Local people said that parks and open spaces are seen as valued assets but in need of improvement.

Residents' focus groups also identified more facilities for kids at night, such as youth clubs would be useful. Also, that investment should not just be educational but recreational as well.

### Our Pledges

We will introduce clear standards of quality and service in the 25 major parks in Walsall and we will publish these standards for residents and visitors.

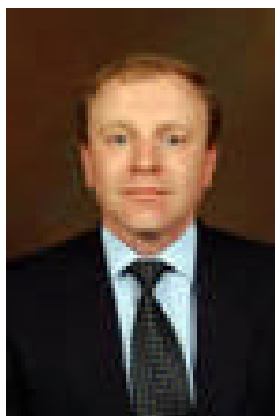
We will refurbish libraries at Pleck, South Walsall, Streetly and Walsall Wood as part of our programme to deliver modern, locally based and customer focussed library services.

	£m
Library modernisation programme (3 yr capital)	1.000

	£m
Palfrey Park Heritage Lottery Fund (5 years)	0.500
Walsall Arboretum Restoration Programme	0.075

# Transformation & Performance Management

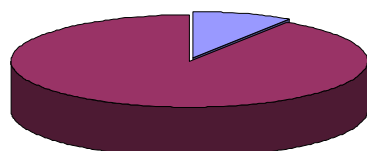
## Portfolio Holder



Councillor Marco Longhi

### **2007/8 Net budget**

(excludes capital charges)



■ Transformation £11.147m

■ Policy & performance £1.124m

### **Focus of the Portfolio**

Performance management, strategic procurement, risk management and information technology and human resources and organisational development (including Member development).

### **Customer Consultation/Feedback**

People consulted stated that listening to customers ranks highly as one of top improvements to customer service. 66% were satisfied with opportunities for consultation/participation. Involving the community more in developing new proposals was seen as attractive.

Those consulted said they have seen improvements to service delivery and welcomed these improvements across key services. There is growing expectation. However, from consultation the council is not seen as efficient as it could be.

### **Our Pledges**

We will use new online consultation facilities through our website to enhance our consultation with citizens.

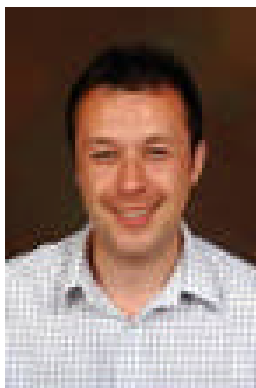
	£m
Prioritisation from existing budgets	0.005

We will implement our transformation programme, bringing greater efficiency and savings of £2 million for the benefit of Walsall.

	£m
Business support savings	0.545
Procurement savings	1.125
Strategic Transformation savings	0.442

# Safer, Stronger Communities, Partnerships & Vision 2021

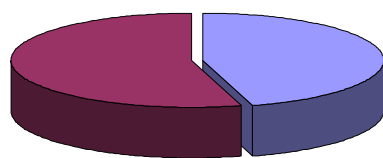
Portfolio Holder



Councillor Garry Perry

## 2007/8 Net budget

(excludes capital charges)



- Neighbourhood management  
£1.429m
- Community safety (SWBP)  
£1.196m

## Focus of the Portfolio

Local neighbourhood partnerships, community engagement and consultation, local area plans, community associations, community safety agenda, Safer Walsall Partnership, equalities and diversity, voluntary and community sectors, customer contact.

## Customer Consultation/Feedback

96% of local people think that safety and security are key to neighbourhood quality of life. 60% of businesses have been affected by crime, robbery and vandalism. Anti-social behaviour is a big concern. Tackling incidences and perception of crime including fear of crime alongside activities/ facilities for young people is a key priority. People consulted wanted the council to tackle environmental crime in particular through enforcement action and want a say in how money is spent locally.

## Our Pledges

We will provide information for local communities on crime in their area and how this is being tackled.

	£m
Funding for community safety	0.166

We will tackle environmental crimes such as littering, fly tipping and dog fouling by issuing 300 fixed penalty notices and naming and shaming the culprits.

	£m
Fly tipping – new investment	0.078

We will implement a community cash scheme through our LNPs offering small grants of up to £400 to community and voluntary groups.

	£m
Further investment in LNPs – new investment revenue	0.100

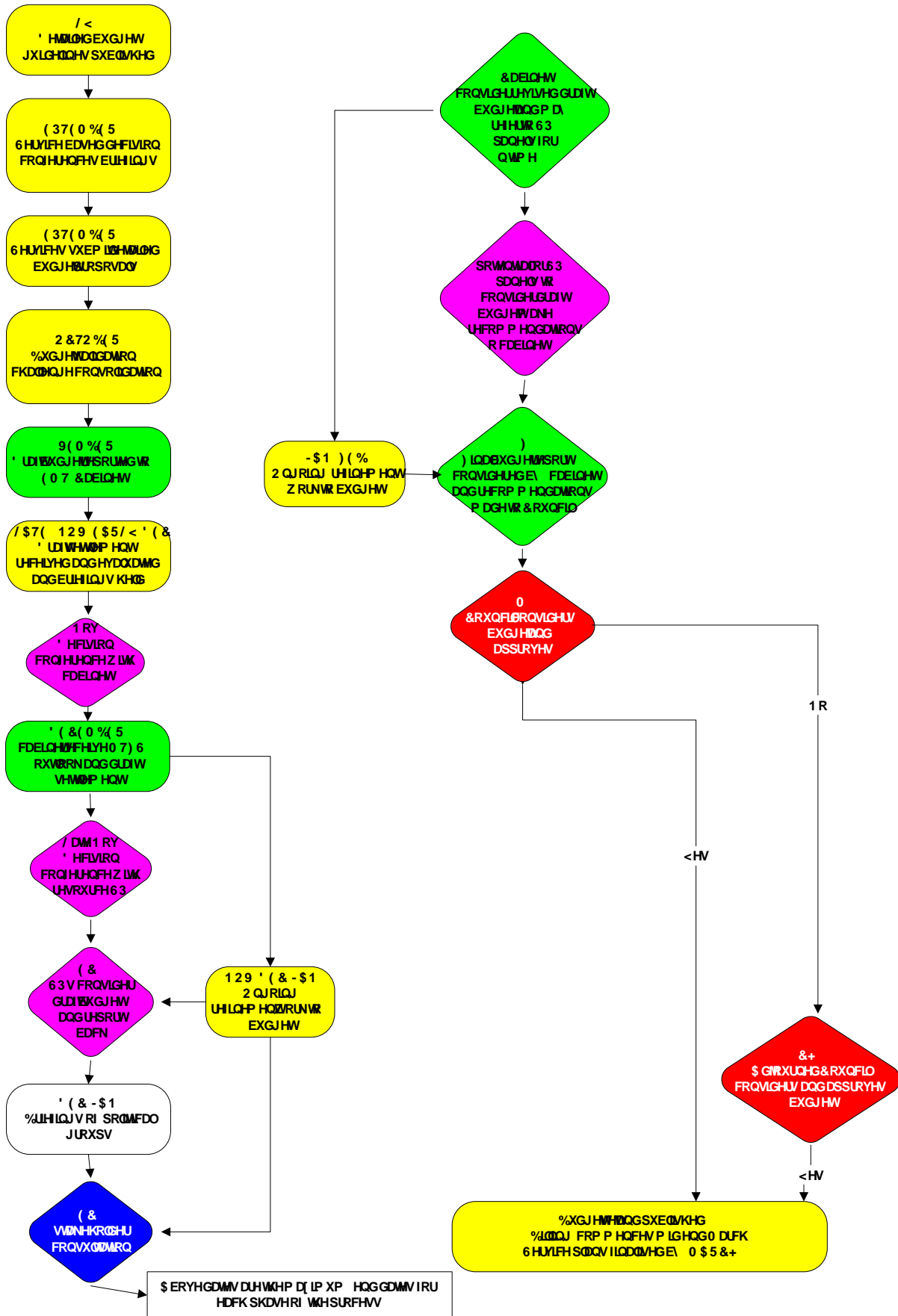
We will improve local access to council services by introducing a mobile access point that will visit neighbourhoods and communities across the borough.

	£m
Local access customer service bus - £150k capital and £50k revenue	0.200



# FLOWCHART OF BUDGET PROCESS

# ANNEX 1



KEY	Scrutiny activity	Political group	Stakeholder activity
Cabinet activity	Full council	Officer activity	





## NEW SERVICE INVESTMENT

INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	SERVICE AREA	ANNUAL NET C	
			2007/08	2008/09
<b>1</b>	<b>Land Charges - revision to income targets</b> This bid will enable the land charges income target to be set to a more realistic level based on previous years income performance, current income projections and intelligence about future trends in the market.	<b>Planning Services</b>	<b>175,000</b>	175,000
<b>2</b>	<b>Planning Fees - revision to income targets</b> Enable the planning fees income target to be set at a more realistic level based on previous years income performance, current income projections and intelligence about future levels of applications. This will ensure the service is resourced to a level to ensure it is able to maintain performance against critical BVPI's.	<b>Planning Services</b>	<b>60,000</b>	60,000
<b>3</b>	<b>Green Waste - Gate Fee increase in charges</b> Current gate fee costs for disposal of green waste are running at £14.47 per tonne and Walsall produces on average 16,500 tonnes per annum. Prices achieved through the tendering process secured prices for 2006/7 at the rate of £14.47, from 2007/8 these costs will continue to rise in accordance with market forces and this is reflected in the tendered rates. 2007/8 gate fee prices are £21.00 per tonne resulting in a short fall in revenue.	<b>Street Pride</b>	<b>108,000</b>	108,000
<b>4</b>	<b>Garden Waste Kerbside Collection Expansion</b> Currently approximately 42,000 low rise properties do not have access to a kerbside collection service of garden waste. Potentially 75% of all low rise premises are eligible for the kerbside scheme resulting in 75,750 properties. To operate at full efficiency of 6 kerbside rounds collecting from 6,800 properties per week, this would enable potentially 81,600 properties to be serviced.	<b>Street Pride</b>	<b>198,000</b>	198,000
<b>5</b>	<b>Energy from Waste</b> The council has secured suitably qualified and experienced contractors to provide facilities for the recovery of energy from municipal waste.	<b>Street Pride</b>	<b>180,000</b>	180,000
<b>6</b>	<b>Increased cost / reduction in take up of service</b> Full additional cost for the delivery of the school food meal service, in-line with the School Food Trust criteria and guidelines.	<b>Catering</b>	<b>300,000</b>	420,000
<b>7</b>	<b>New electoral legislation</b> Elections and electoral registration are driven by central Government's electoral modernisation programme and legislation and the Electoral Commission's standards.	<b>Electoral Registration</b>	<b>93,200</b>	91,000

## ANNEX 2

INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	SERVICE AREA	ANNUAL NET C	
			2007/08	2008/09
<b>8</b>	<b>Understanding and meeting black and minority ethnic (BME) needs - older peoples services</b> The recent commission for social care inspection of services for older people has formed a judgement that the council must improve its response to black elders. This will be new activity requiring additional funding.	<b>Adults</b>	<b>40,000</b>	120,000
<b>9</b>	<b>Increased resources for community mental health team (CHMT) for older people</b> To provide additional 3 approved social worker posts and 6 support, time and recovery workers.	<b>Adults</b>	<b>50,000</b>	180,000
<b>10</b>	<b>High cost packages - learning disabilities</b> Additional growth required for existing clients as demand higher than expected.	<b>Adults</b>	<b>267,000</b>	175,000
<b>11</b>	<b>Urban traffic control - impact of global energy costs and deteriorating stock</b> There has been a significant increase in energy prices over the last 12 months. The impact has been that the cost of energy for traffic signals has doubled in this time. This is compounded when considering deteriorating condition of assets with an insufficient maintenance budget.	<b>Engineering &amp; Transportation</b>	<b>100,000</b>	100,000
<b>12</b>	<b>New Grounds Sites</b> New sites being added to the council maintenance year on year such as civic quarter, St Giles church yard, gate way projects, parks play areas, district centre cleaning, Queslett road, Streetley cemetery extension, Moxley church, Birmingham road red route, Asda project and ring road project. The bid includes the funding of 3 agency staff during the summer months.	<b>Street Pride</b>	<b>120,000</b>	159,000
<b>13</b>	<b>Commercial Fly Tipping</b> To be able to deal with large scale (commercial) fly tipping which has increased around the borough. These large amounts are above the capability of the existing litter hit squad budgets and current grant from the LAA, and need to be removed by JCB and HGV lorries. No staff impact, use of sub contractor only.	<b>Street Pride</b>	<b>78,000</b>	80,340
<b>14</b>	<b>Summer Programme</b> To provide a co-ordinated programme of activities for children and young people in all areas of the borough during the summer holidays 2007. The programme aims to alleviate the boredom of the summer holidays and channel young people into positive activity, thus offering positive opportunities which will improve and enhance life experiences.	<b>Leisure and cultural</b>	<b>50,000</b>	0

## ANNEX 2

INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	SERVICE AREA	ANNUAL NET C	
			2007/08	2008/09
<b>15</b>	<b>Local Neighbourhood Partnership's (LNPs)</b> To enable LNPs to continue to implement their local neighbourhood plans by funding local projects.	<b>Neighbourhood Management</b>	<b>100,000</b>	0
<b>14</b>	<b>Demographic growth - older peoples services</b> Relates to the additional resources required in relation to a growing older persons population. The first year of this bid (07/8) relates to a catch up year and includes demographic growth not previously funded. Growth is based on the following population projections in Walsall based on the need to provide services to clients in the 75-84 yr age group.	<b>Adults</b>	<b>554,087</b>	1,078,635
	<b>TOTAL NEW INVESTMENT</b>		<b>2,473,287</b>	3,124,975

## COUNCIL WIDE / CORPORATE PRESSURES &amp; INVESTMENT

INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	SERVICE AREA	ANNUAL NET COST		
			2007/08 £	2008/09 £	2009/10 £
<b>1</b>	<b>Education Contract</b> This will allow preparatory work and repositioning of the education services at the end of the current contract arrangements.	<b>Education</b>	<b>589,000</b>	0	0
<b>2</b>	<b>Commutation grant loss and capital slippage</b>	<b>Capital financing</b>	<b>500,000</b>	500,000	500,000
<b>3</b>	<b>Advertising income shortfall</b> This relates to an ongoing budget pressure in relation to advertising in the borough at specific sites	<b>Council Wide</b>	<b>400,000</b>	400,000	400,000
<b>4</b>	<b>Strategic Transformation</b> To support the development of the councils ICT infrastructure, including improving local purchasing arrangements leading to release of efficiencies to reinvest in priority areas in future years.	<b>Strategic Transformation</b>	<b>500,000</b>	0	0
<b>5</b>	<b>Street Lighting Accruals</b> Adoptions of new lights with ongoing maintenance and energy costs. Adoptions of new street lights and illuminated signs bring with them additional costs both in terms of maintenance and energy charges. Since the start of the project there has been approx 800 new adoptions which had not been included within the original affordability model and calculations which leads to additional costs.	<b>Engineering &amp; Transportation</b>	<b>148,000</b>	148,000	148,000
<b>6</b>	<b>Contractual increase on street lighting PFI energy contracts</b>	<b>Engineering &amp; Transportation</b>	<b>460,000</b>	460,000	460,000
<b>7</b>	<b>Airport Interest</b>	<b>Capital financing</b>	<b>187,747</b>	187,747	187,747
<b>8</b>	<b>Joint Area Review</b> Preparation for the JAR in January 2008.	<b>Corporate</b>	<b>50,000</b>	0	0
<b>9</b>	<b>Job Evaluation Project</b>	<b>Corporate</b>	<b>133,400</b>	0	0
<b>10a</b>	<b>Procurement - Assistant Director and associated support</b> Recruitment of a dedicated assistant director and associated support for procurement	<b>Procurement</b>	<b>120,000</b>	120,000	120,000

## ANNEX 3

INVESTMENT No.	STRATEGIC CHOICE / INVESTMENT BID	SERVICE AREA	ANNUAL NET COST		
			2007/08 £	2008/09 £	2009/10 £
<b>10b</b>	<b>Procurement specialists</b> To provide sufficient resources to enable current contracting commitments to be met and identify opportunities for savings for target etc.	<b>Procurement</b>	<b>135,000</b>	135,000	135,000
<b>10c</b>	<b>Procurement - sharpened approach to procurement activity</b>	<b>Procurement</b>	<b>(255,000)</b>	<b>(255,000)</b>	<b>(255,000)</b>
<b>11</b>	<b>Replenishment of Balances</b>	<b>Corporate</b>	<b>996,836</b>		
	<b>TOTAL</b>		<b>3,964,983</b>	1,508,000	1,508,000

## 2007/8 FEES AND CHARGES

No.	FEES AND CHARGES	SERVICE AREA	ANNUAL INCOME			DETAILS
			2007/08 £	2008/09 £	2009/10 £	
1	Increase section 106 income	Legal	(17,000)	(17,000)	(17,000)	Increase in developers contributions resulting from successful planning approvals for new construction in the borough.
2	Introduction of discretionary charges	Legal	(30,000)	(30,000)	(30,000)	Introduction of new discretionary charges.
3	Increase in external income	Internal Audit	(9,900)	(9,900)	(9,900)	Financial management standards in schools - charging new service to schools.
4	Increase in charges for 3 way traffic lights	Engineering & Transportation	(5,000)	(5,000)	(5,000)	Increase in charges for 3 way traffic lights from current charge of £100. Increase in line with neighbouring authorities.
5	Increase in charges for Section 50 sewer connections licence	Engineering & Transportation	(6,000)	(6,000)	(6,000)	Increase in charges for section 50 sewer connections licence from £750 to £1,000 per licence. Increase in line with neighbouring authorities.
6	Increase in fine income/accident damage - urban traffic control (UTC)	Engineering & Transportation	(10,000)	(10,000)	(10,000)	Increase in fine income/accident damage (Urban Traffic Control)
7	Section 74 increase in fees and charges	Engineering & Transportation	(50,000)	(50,000)	(50,000)	Income from utility companies for any time overruns arising from work on the boroughs highways
8	Increased income through benefits maximisation	Adults	(65,400)	(65,400)	(65,400)	Regular reviews of financial assessments yield additional income.
9	Increase of 10% on all leisure centre charges	Sports	(170,000)	(170,000)	(170,000)	An increase of 10% on all leisure centre fees and charges.
10	Standard charges income - older peoples services	Older people	(20,000)	0	0	Increase in standard charges to existing clients within the system who pay for their residential services. One year only due to reprovision.
11	Meals on wheels income generation - older peoples services	Older people	(30,000)	(30,000)	(30,000)	Increasing the current charge of £2.20 to £2.42 (10%). The existing charge is only based on the meal cost and is subsidised for the cost of transportation and delivery to the clients.
12	Review of car parking charges - staff car park charges.	Engineering & Transportation	(148,000)	(148,000)	(148,000)	Increase of 20% on staff car parking charges.
13	Coaching income	HR/OD	(16,000)	(16,000)	(16,000)	Charge for defaulters when undertaking 121 and team coaching.
14	Additional income generation	Creative Development	(6,886)	(6,886)	(6,886)	Generate additional income equivalent to c4% of current budgets
15	Additional Income from Centro for operating a check and send service for concessionary bus passes.	First Stop Shop	(5,000)	(5,000)	(5,000)	The agreement for this is awaiting signature subject to inclusion of a specific clause.
16	Additional contribution from licensing income	Public Protection	(40,000)	(40,000)	(40,000)	Net additional contribution from Licensing income having delivered a restructure of the service to combine taxi licensing and licensing and sustain the future service.
17	Bereavement services - further review of fees & charges	Public Protection	(8,000)	(8,000)	(8,000)	Proposed fees and charges to take effect from 1.1.07, as part of restructuring proposals to incorporate the register office and coroner's service within bereavement services to provide adequate staff to deliver memorial management programme.
18	Registrars - income from british citizenship	Public Protection	(1,000)	(1,000)	(1,000)	Income generation potential in register office.
19	Fleet - increase MOT charges	Street Pride	(14,000)	(14,000)	(14,000)	Increase fees and charges - MOT testing costs from £27 to £35, retesting costs from free of charge to £17.50 and servicing costs from £25 to £30.

No.	FEES AND CHARGES	SERVICE AREA	ANNUAL INCOME			DETAILS
			2007/08 £	2008/09 £	2009/10 £	
20	Fairer charging movements	Adults	(97,631)	(97,631)	(97,631)	The discount factor is presently set at 42% which reduces the home care charge to the client from £9.60 (which is based on the lowest charge paid to the providers) – to a charge of £5.57. The removal of the discount will mean the charge to the client increases to £9.60 per hour an increase of £4.03. This brings us in line with a number of our West Midlands neighbours and assumes we charge cost.
21	Additional income from scaffolding licences	Engineering & Transportation	(10,000)	(10,000)	(10,000)	Charging commercial properties when they have scaffolding erected on them. We currently only charge for private properties.
22	Increase landscaping fees	Environmental Regeneration	(30,000)	(30,000)	(30,000)	Increase landscaping fees by 15%.
23	Norfolk place car parking - initiating a charging policy	Street Pride	(10,000)	(10,000)	(10,000)	Charging at long stay rates, 100 spaces at £8 per month
24	Bryntysilio - 15% increase in charges	Greenspaces	(21,144)	(21,144)	(21,144)	15% increase charges to students attending the centre on courses.
25	Car parking fines	Street Pride	(29,000)	(29,000)	(29,000)	At present we collect 60% of fines income. With this new strategy the collection rate will increase to 75%.
26	Increase fees to cricket and bowling clubs	Greenspaces	(4,000)	(4,000)	(4,000)	Increase to fees charged for use of cricket pitches and bowling greens.
27	Increase to residents parking permits from £10 pa to £20 pa	Engineering and Transport	(4,500)	(4,500)	(4,500)	Increase in residents parking permits to £20 pa.
28	Increased usage of public car parking	Engineering and Transport	(60,000)	(60,000)	(60,000)	Increased income as a result of additional usage of existing car parks.
29	Exploring sponsorship for all large ornamental floral planters and all ornamental barrier floral baskets	Street Pride	(30,000)	(30,000)	(30,000)	Sites:- Walsall, Darlaston, Willenhall, Bloxwich, Brownhills, Aldridge
30	Increase in general public car parking charges	Engineering & Transportation	(123,000)	(123,000)	(123,000)	20% uplift of car parking charges for the general public uplifted to nearest acceptable amount (1 hour up 10p to 70p, all day up 60p to £3.60)
31	Charge for replacement of wheelie bins	Street Pride	(2,000)	(2,000)	(2,000)	From £16.50 each to £18.50 per bin. This will principally mean that residents with stolen, lost or damaged bins will be purchasing new ones at cost. Currently service is being subsidised by £2.00 per bin.
32	Bulky collections	Street Pride	(23,000)	(23,000)	(23,000)	Increase in collection charge to £12.50 for bulky collections along with separate charge for white goods of £12.50. Free of charge for residents who deliver to household waste
33	Increase in charges for skip permits	Engineering & Transportation	(4,000)	(4,000)	(4,000)	Increase in charges for skip permits from £5 to £7.50 per licence. Comparable with neighbouring authorities.
34	External trade waste customers	Street Pride	(23,000)	(23,000)	(23,000)	To increase waste collection charges for trade customers by 10%.
35	Charging for transport within adult services	Adults	(468,000)	(468,000)	(468,000)	Change in policy for charging for transport within adult services. Council does not currently charge for transport which is a discretionary service for clients attending day centres and other support services.
<b>TOTAL FEES AND CHARGES</b>			<b>(1,591,461)</b>	<b>(1,571,461)</b>	<b>(1,571,461)</b>	

## 2007/8 EFFICIENCY SAVINGS

No.	EFFICIENCIES	SERVICE AREA	ANNUAL VALUE			DETAILS OF EFFICIENCY
			2007/08 £	2008/09 £	2009/10 £	
1	Management development venues - seek alternative venues	HR / OD	(3,000)	(3,000)	(3,000)	Alternative venue to seek to reduce costs.
2	Room hire for development centres	HR / OD	(5,000)	(5,000)	(5,000)	Reduce costs of room hire.
3	Restructure of service	Greenspaces	(30,000)	(30,000)	(30,000)	Deletion of vacant post in restructure via reallocation of work and priorities.
4	Constitutional allowances	Legal	(50,000)	(50,000)	(50,000)	Reduction in budgeted allowances due to take up of scheme less than originally anticipated.
5	Executive Management Team	EMT	(21,000)	(21,000)	(21,000)	Reduction in professional fees, transport and employee costs.
6	Introduction of electronic document management system	Revenue & Benefits	(60,148)	(60,148)	(60,148)	Efficiencies arising from introduction of new technology will allow for review of current manual processes. Initial cost to be funded via capital. No redundancy costs as posts currently filled by agency staff.
7	Reconfiguration of management	Revenue & Benefits	(64,168)	(64,168)	(64,168)	Reduction in number of posts.
8	Business process re-engineering	Revenue & Benefits	(83,405)	(83,405)	(83,405)	Various improvement initiatives. No redundancy costs as posts currently filled by agency staff.
9	Re-procure bailiff contract	Revenue & Benefits	(40,000)	(40,000)	(40,000)	New contract arrangements.
10	Implementation of SX3 releases	Revenue & Benefits	(40,544)	(40,544)	(40,544)	System upgrades. No redundancy costs as posts currently filled by agency staff.
11	General efficiencies	All Regeneration Areas	(62,000)	0	0	Reduction in directorate supplies and services budgets.
12	General efficiencies	Art Gallery	(1,144)	(1,144)	(1,144)	Reduce IT and general admin.
13	Marketing - efficiencies	Arts & Development	(7,000)	(7,000)	(7,000)	Reduction in total staff hours on marketing via reallocation of work and priorities.
14	School crossing patrol wardens staffing	Cleaning, Caretaking, SCP	(20,000)	(20,000)	(20,000)	Increase in vacancy management for SCPW
15	Cleaning & school crossings efficiencies	Cleaning, Caretaking, SCP	(4,000)	(4,000)	(4,000)	Reduce supplies and services by 2%.
16	Community Safety Unit efficiencies - furniture/equipment	Community Safety	(5,000)	(5,000)	(5,000)	Reduction to the furniture / equipment budget.
17	Efficiency savings - other supplies	Community Safety	(8,386)	(8,386)	(8,386)	General efficiencies arising from reallocation of work and priorities.
18	Removal of agency budget in road works team	Engineering & Transportation	(2,000)	(2,000)	(2,000)	Removal of agency budget in road works team by creating new post - net saving in 2007/8 to increase in future years if post can be funded from permit income.
19	Road safety - general efficiencies	Engineering & Transportation	(3,000)	(3,000)	(3,000)	Reduction in supplies and services budget in road safety.
20	Reduction in usage of enumerators for traffic surveys etc	Engineering & Transportation	(6,000)	(6,000)	(6,000)	Reduction in usage of enumerators for traffic surveys - assess traffic flow, usage, signals etc
21	General efficiency savings	Engineering & Transportation	(5,000)	(5,000)	(5,000)	Removal of supplies and services inflation. Absorb one off increase for 2007/8.
22	Reprofiling of Highways maintenance to capital	Engineering & Transportation	(60,000)	(60,000)	(60,000)	Reprofiling of highways maintenance to capital.



No.	EFFICIENCIES	SERVICE AREA	ANNUAL VALUE			DETAILS OF EFFICIENCY
			2007/08 £	2008/09 £	2009/10 £	
23	Transfer of photocopier to the new contact centre	First Stop Shop	(1,500)	(1,500)	(1,500)	Copier is surplus to requirements in the FSS and would avoid the need to purchase a new one for the contact centre.
24	Trading standards - general efficiency savings	Public Protection	(2,000)	(2,000)	(2,000)	Rationalising of stationery and office expenses/publicity and advertising across the services.
25	Environmental health - general efficiency savings	Public Protection	(29,750)	(29,750)	(29,750)	Reductions in budgets from clothing and laundry; furniture and equipment for public health and environmental health and stationery and general office budgets. General efficiencies via reallocation of work and priorities.
26	Computer database - housing standards and improvements	Housing	(44,634)	(44,634)	(44,634)	Removal of unplanned /upgrading of system budget for database which manages performance framework for the service and monitors capital budget.
27	Out of hours team - mental health	Mental health	(240,000)	(240,000)	(240,000)	Generated by contracting the out of hour's service (evenings, weekends, and bank holidays) to Wolverhampton with the deletion of 6 high cost posts.
28	Senior management restructure - learning disabilities and young adults	Learning disabilities and YADS	(155,000)	(155,000)	(155,000)	Deletion of a head of service, service manager and 1.5FTE of personal assistant salary costs. The saving assumes no redundancy costs due to at least one of the posts being vacant, and the cost of protection of salaries can be met from existing budgets.
29	Removal of gratuities budget no longer required.	Support services - social care and	(15,232)	(15,232)	(15,232)	Budget no longer required.
30	Reduction in accommodation budget	Support services - social care and	(70,000)	(70,000)	(70,000)	Reduce accommodation budget.
31	Mobile phone contract	ICT	(125,448)	(125,448)	(125,448)	Transfer of service to new supplier – ensuring corporate contract rather than individuals – savings on economy of scales and admin of billing costs
32	Non-renewal of tourist information contract with West Midlands Travel.	Arts & Development	(35,000)	(35,000)	(35,000)	Non-renewal of tourist information contract with West Midlands Travel.
33	Café equipment	Art Gallery	(1,000)	(1,000)	(1,000)	Café equipment not to be replaced.
34	General efficiency savings	Built Env Mgt	(4,000)	(4,000)	(4,000)	General efficiencies arising from reallocation of work and priorities.
35	School crossings - advertising	Cleaning, Caretaking, SCP	(5,000)	(5,000)	(5,000)	Reduction in advertising budget.
36	Efficiency savings - publicity / advertising	Community Safety	(2,500)	(2,500)	(2,500)	Reduction to the CSU publicity / advertising budget.
37	Efficiency savings - CCTV external training	Community Safety	(5,000)	(5,000)	(5,000)	Reduction in the CCTV external training budget.
38	Efficiency savings - CCTV supplies	Community Safety	(10,000)	(10,000)	(10,000)	Reduction in the CCTV miscellaneous supplies budget.
39	Savings in revenue bridge maintenance works	Engineering & Transportation	(5,000)	(5,000)	(5,000)	Savings in revenue bridge maintenance works. Bridges in relatively good condition. Identified as 10% of budget.
40	Withdrawal of contribution to health and safety training officer post	HR/OD	(14,000)	(14,000)	(14,000)	No longer contribute towards salary costs.

No.	EFFICIENCIES	SERVICE AREA	ANNUAL VALUE			DETAILS OF EFFICIENCY
			2007/08 £	2008/09 £	2009/10 £	
41	Restructure of engineering and transportation service	Engineering & Transportation	(5,000)	(5,000)	(5,000)	Review of structure and coordination with use of agency and framework consultants.
42	Efficiency savings	First Stop Shop	(2,500)	(2,500)	(2,500)	Reduction in budget for uniforms.
43	Efficiency savings - supplies and services	Greenspaces	(8,000)	(8,000)	(8,000)	Reduction in the supplies and services budgets across LIP, Palfrey and Willenhall within the greenspaces improvements service.
44	Combining the play area inspection and maintenance team with the maintenance officer	Greenspaces	(50,000)	(50,000)	(50,000)	Combining resources will create efficiencies. Undertaking infrastructural repairs in-house. Will require training for ranger, mobile security patrols & street pride maintenance staff to undertake regular play equipment inspections.
45	Equalities and diversity team - efficiency savings	N'hood Management	(9,250)	(9,250)	(9,250)	3% savings on total gross budget of £308,324 (including salaries) from equalities and diversity team.
46	Programmes team - efficiency savings	N'hood Management	(5,198)	(5,198)	(5,198)	External training employee & related expenses from programmes team
47	Reduction in refreshments provided for training courses.	HR/OD	(10,000)	(10,000)	(10,000)	Reduction in provision.
48	Efficiency savings - removal of inflation	Property Services	(119,348)	(119,348)	(119,348)	General efficiencies via reallocation of work and priorities.
49	Efficiency savings - other running expenses	Property Services	(66,474)	(66,474)	(66,474)	General efficiencies on advertising, equipment, training etc
50	Environmental health - consolidate print and design budget for dog warden service, env health, public health	Public Protection	(4,000)	(4,000)	(4,000)	Consolidate print and design budgets. Need to ensure this saving does not affect print room income targets.
51	Executive away days	HR/OD	(10,000)	(10,000)	(10,000)	Reduction in number of away days.
52	Environmental health - reduce works in default budget	Public Protection	(12,000)	(12,000)	(12,000)	Budget funds costs of call outs for blocked drains or collection of rubbish and where possible recharge costs to residents.
53	Sports development - realignment of work	Sports	(24,000)	(24,000)	(24,000)	Realign the work of development officers to increase focus on revenue generation and review the more resource intensive services (e.g. public narrowboat trips, certain sports coaching sessions) and consider alternative delivery methods or withdrawal of the service.
54	Restructure of all finance areas	Finance	(112,759)	(112,759)	(112,759)	Deletion of posts following restructure.
55	Policy team - deletion of vacant post	Street Pride	(22,000)	(22,000)	(22,000)	Delete vacant post.
56	Closure of the Norfolk Place depot stores	Street Pride	(47,000)	(55,000)	(55,000)	Closure of Norfolk Place depot stores facility which provides materials/supplies to street pride, other service areas and partners. Closure of the stores would result in the potential redundancy of two staff and the associated costs of redundancies would need to be met from existing revenue budgets.

No.	EFFICIENCIES	SERVICE AREA	ANNUAL VALUE			DETAILS OF EFFICIENCY
			2007/08 £	2008/09 £	2009/10 £	
57	Staffing review	Communications	(19,000)	(19,000)	(19,000)	A review of the staffing structures within communications.
58	Social care management development	HR/OD	(22,000)	(22,000)	(22,000)	To be alternatively funded via complete merger of OD
59	Staffing review	Youth Service	(32,000)	(32,000)	(32,000)	Increase in vacancy management or possible deletion of vacant post.
60	Supplies and services reductions	All Regeneration Areas	(36,000)	(36,000)	(36,000)	Reduction in supplies and services.
61	Reduction in external audit fee	Corporate Services	(100,000)	(100,000)	(100,000)	Corporate services have negotiated a reduced audit fee as a result of our track record and improvement of financial performance and governance.
62	Energy savings as a result of the investment in energy management	Property Services	(150,000)	(150,000)	(150,000)	Anticipated efficiencies arising from the work being done on energy management.
63	Libraries	Libraries & Heritage	(36,000)	(36,000)	(36,000)	Deletion of vacant post in restructure via reallocation of work and priorities.
64	Executive development - removal of budget	HR/OD	(30,000)	(30,000)	(30,000)	Support to be reduced to coaching only. Withdraw away days and personal training.
65	Restructure review	Engineering & Transportation	(35,000)	(35,000)	(35,000)	Post to be charged to capital.
66	Reduction in property maintenance - as a result of capital investments	Property Services	(110,000)	(110,000)	(110,000)	Capitalisation of revenue expenditure.
67	Change to funding of CCTV	Community Safety	(18,000)	(18,000)	(18,000)	CCTV management now to be funded by partner organisation.
68	Restructure proposals	Neighbourhood Management	(40,000)	(40,000)	(40,000)	Deletion of vacant post in restructure via reallocation of work and priorities.
69	College of Continuing Education - unspent balances held for investment	COCE	(150,000)	0	0	Underspent balances have built up and are now available for application.
70	Efficiency saving	Engineering & Transport	(25,000)	(25,000)	(25,000)	Part capital funding of 1 FTE.
71	Procurement - sharpened approach to procurement activity	Procurement	(120,000)	(120,000)	(120,000)	
	<b>TOTAL EFFICIENCIES</b>		<b>(2,776,388)</b>	<b>(2,572,388)</b>	<b>(2,572,388)</b>	

## 2007/8 POLICY CHANGES

No.	POLICY CHANGES	SERVICE AREA	ANNUAL NET COST			DETAILS
			2007/08 £	2008/09 £	2009/10 £	
1	General savings within social care OD	HR/OD	(53,000)	(53,000)	(53,000)	Reduction in training programmes, conferences, room hire and independent sector workforce development.
2	Master class sessions	HR/OD	(15,000)	(15,000)	(15,000)	External guest / topical speakers to inform, motivate and inspire to be absorbed in forums.
3	External management and leadership programme	HR/OD	(15,000)	(15,000)	(15,000)	Reduced number of programmes from 5 to 2.
4	Navigator - personal development programme for men	HR/OD	(4,000)	(4,000)	(4,000)	Reduction in development programme from 2 schemes to 1. The development programme for men is in it's first year and expect less of a take up than the equivalent programme for women as 70% of workforce is female.
5	Fresh steps - personal development programme for managers in junior positions	HR/OD	(3,000)	(3,000)	(3,000)	Reduction in development programme.
6	Members external conferences / providers	HR/OD	(8,000)	(8,000)	(8,000)	Reduction in external conferences for members.
7	Skills and knowledge programme	HR/OD	(11,000)	(11,000)	(11,000)	Reduction in external facilitators, room hire and refreshments.
8	Learning resources	HR/OD	(5,000)	(5,000)	(5,000)	Reduction in purchasing of DVD's, mousemats etc in relation to training programmes for attendees to take away with them.
9	OD change management solutions	HR/OD	(5,000)	(5,000)	(5,000)	Reduction in programme.
10	Revitalising programmes	HR/OD	(5,000)	(5,000)	(5,000)	Reduction in programme.
11	Coaching programme	HR/OD	(33,612)	(33,612)	(33,612)	Reduction in programme - remaining programme funded by ODPM.
12	Leadership seminar and development	HR/OD	(5,000)	(5,000)	(5,000)	Review of budget requirement.
13	Team development - transformation and business support	Business Support	(5,000)	(5,000)	(5,000)	Reduction in development of strategic transformation and business support.
14	Bereavement services - change to internal artificial floral decoration	Public Protection	(1,750)	(3,500)	(3,500)	Change to internal artificial floral decoration from real flowers at Streetly crematorium - in line with policy of neighbouring crematoria.
15	Housing strategy and partnerships	Housing	(26,670)	(26,670)	(26,670)	Reduction in publicity and dissemination of strategy.
16	Audience development	Art Gallery	(2,400)	(2,400)	(2,400)	Reduction in audience development.
17	Restructure of corporate performance team	Performance Management	(50,000)	(50,000)	(50,000)	Deletion of posts and review of supplies and services. Part of the saving will be realised from efficiencies as well as a reduction in service. Possible redundancy of 1 post.
18	Art conservation	Art Gallery	(1,350)	(1,350)	(1,350)	Reduction in art conservation
19	Marketing and visitor research	Art Gallery	(2,400)	(2,400)	(2,400)	Reduction in marketing and visitor research.
20	Cleaning equipment	Cleaning, Caretaking, SCP	(20,000)	0	0	Limit machine replacement programme for 1 year only
21	Reduction in the use of agency and temporary staff	Greenspaces	(30,000)	(30,000)	(30,000)	Reduction in the use of agency and temporary staff which provide seasonal on site security cover.
22	Allotments	Greenspaces	(1,200)	(1,200)	(1,200)	Reduction in the repair, maintenance and skip services undertaken within allotment sites.
23	Reduce support budgets for LNP events	N'hood Management	(2,500)	(2,500)	(2,500)	Reduce support budget for LNP events, publicity and promotion.
24	Deletion of community sports worker post	Sports	(18,964)	(20,000)	(20,000)	Redundancy - Community Sports worker
25	Deletion of part time duty manager post	Sports	(11,260)	(12,000)	(12,000)	Redundancy - part time duty manager

No.	POLICY CHANGES	SERVICE AREA	ANNUAL NET COST			DETAILS
			2007/08 £	2008/09 £	2009/10 £	
26	Deletion of part time golf attendant post	Sports	(17,387)	(18,000)	(18,000)	Redundancy - part time golf attendant.
27	Sports - reduction in policy budget	Sports	(76,700)	(76,700)	(76,700)	This funding was initially established for items not in the original sports contract. This has funded indoor carpet bowls, external signage, boiler conversions from oil to gas, consultants fees, replacement of computer booking systems, rejuvenation of astro turf etc.
28	Walsall In Bloom - cease funding and seeking sponsorship	Street Pride	(8,000)	(8,000)	(8,000)	Investigate further sponsorship opportunities or cease funding of Walsall in Bloom
29	Staff training, courses & conferences.	Art Gallery	(6,000)	(6,000)	(6,000)	Reduction in staff training, courses & conferences.
30	Maintenance of building	Art Gallery	(6,000)	(6,000)	(6,000)	Preventative maintenance will be reduced.
31	Art collection and projects	Art Gallery	(3,100)	(3,100)	(3,100)	Reduced art collection and project work.
32	Repair and maintenance - supported housing	Housing	(107,000)	(107,000)	(107,000)	Reduction in repair and maintenance of properties budget (46%).
33	Review of agency clearing house	Procurement	(7,000)	(7,000)	(7,000)	Restructure agency clearing house team
34	Reduction in supplies and consultancy budgets	Procurement	(10,000)	(10,000)	(10,000)	Reduction in funding to undertake analysis of expenditure to support identification of savings
35	Reduction in contribution to BC Consortium (from £279k pa to £219k pa)	Urban Regeneration Management	(60,000)	(60,000)	(60,000)	Reduction in contribution to BC Consortium - 20% reduction
36	Delete post in Physical Regeneration	Physical Regeneration	(40,000)	(40,000)	(40,000)	Delete post in physical regeneration
37	Reduction in contribution to WBSP	WBSP	(100,000)	0	0	Reduction of mainstream WBSP budget by £100,000 2007/08 only.
38	Delete two planning enforcement posts	Planning Services	(55,000)	(55,000)	(55,000)	Delete two planning enforcement posts.
39	Schools catering service	Catering	(150,000)	(150,000)	(150,000)	Changes to the operation of catering services. More limited menu and schools taking responsibility for collecting money and supervising meals.
40	Reduction in non-essential cleaning of staff areas (5 to 3 days)	Cleaning	(30,000)	(30,000)	(30,000)	Reducing vacuum cleaning of offices and non-public spaces.
41	Reduction in support to Walsall Regeneration Company	Physical Regeneration	(25,000)	0	0	Reduction in support to Walsall Regeneration Company (From £250k p/a to £225k p/a - 10% reduction)
42	Withdrawal of contribution to performance development officer post	HR/OD	(38,000)	(38,000)	(38,000)	No longer contribute towards salary costs. If post still required additional funding will have to be found within SCI existing budgets.
43	Withdrawal of contribution to safeguarding children training co-ordinator post	HR/OD	(39,000)	(39,000)	(39,000)	No longer contribute towards salary costs. If post still required additional funding will have to be found within CYP existing
44	Restructure resulting in deletion of 1 post.	First Stop Shop	(17,000)	(17,000)	(17,000)	Loss of 1FTE
45	Delete post childrens residential training co-ordinator	HR/OD	(18,000)	(18,000)	(18,000)	No agreement to fund post beyond 31.03.07 and currently covered by agency staff so will not result in redundancy costs.
46	To withdraw funding of backfilling posts while trainees / secondees are undertaking social work degrees.	HR/OD	(75,000)	(75,000)	(75,000)	£8k per employee provided to backfill posts while training is being undertaken.
47	Stop the opening/closing and supervision of football changing facilities	Greenspaces	(18,000)	(18,000)	(18,000)	Stop the opening/closing and supervision of football changing facilities for football on sites with only one resident club.

No.	POLICY CHANGES	SERVICE AREA	ANNUAL NET COST			DETAILS
			2007/08 £	2008/09 £	2009/10 £	
48	Discontinue grants to non council run museums	Libraries & Heritage	(13,650)	(13,650)	(13,650)	Discontinue grants to non council run museums - Locksmith's House
49	Discontinue music and DVD loans from Beechdale and Pleck libraries	Libraries & Heritage	(2,000)	(2,000)	(2,000)	Discontinue music and DVD loans from Beechdale and Pleck libraries
50	Trading standards - reduce non food sampling projects	Public Protection	(3,000)	(3,000)	(3,000)	Reduce non food sampling projects.
51	Stop providing ornamental annual bedding across all areas	Street Pride	(38,000)	(38,000)	(38,000)	District & town centres, some parks communities & town hall window boxes not provided.
52	Garden waste kerbside collection service - winter closedown	Street Pride	(65,000)	(65,000)	(65,000)	Currently suspend for 2 weeks over xmas. Propose to suspend service for 3 months - 1st December to 28th February. Employees to be deployed on domestic refuse & recycling collections allowing for a reduction in use of agency labour. Reduction in total tonnes of green waste collected, reducing disposal costs
53	Reduction in development funding	Youth Service	(25,000)	(25,000)	(25,000)	Reduction in the funding available for support to youth work programmes.
54	Delete external funding team / seek alternative funding	Economic Regeneration	(50,000)	(50,000)	(50,000)	Delete / seek alternative funding of team.
55	Forest Arts Centre - reduction/cessation of weekend events	Arts & Development	(24,500)	(24,500)	(24,500)	Reduction/cessation of weekend events & programming at Forest Arts Centre.
56	Reduction in lab equipment and pollution expenses	Engineering & Transportation	(17,000)	(17,000)	(17,000)	Reduction in lab equipment and rephasing and reduction in level of work for contaminated land and air quality together with reduction in laboratory expenses.
57	Rationalise coverage of parks and open spaces	Greenspaces	(23,000)	(23,000)	(23,000)	Rationalise on site coverage of parks and open spaces reducing the park ranger service by one member of staff.
58	Playground fitting service.	Greenspaces	(7,500)	(7,500)	(7,500)	Reduction in level of premises repairs undertaken by the playground fitting service.
59	Reduced opening hours - libraries	Libraries & Heritage	(45,000)	(45,000)	(45,000)	Closing all libraries at 6.00pm.
60	Reduced opening hours - leather museum	Libraries & Heritage	(10,000)	(10,000)	(10,000)	Leather museum closure on Sundays
61	Discontinue grants to non council run museums	Libraries & Heritage	(2,200)	(2,200)	(2,200)	Discontinue grants to non council run museums -Jerome K Jerome Birthplace.
62	Discontinue libraries "Right to Read " project	Libraries & Heritage	(25,000)	(25,000)	(25,000)	Discontinue libraries "Right to Read " project encouraging looked after children to read.
63	Trading standards - reduction in clean up costs	Public Protection	(7,000)	(7,000)	(7,000)	Reduction of clean up costs after travellers have moved off site due to less call for this service.
64	Trading standards - removal of weights and measures testing equipment	Public Protection	(1,000)	(1,000)	(1,000)	Removal of weights and measures testing equipment from calibration and scope of ISO 9000 registration.
65/67	Environmental health - reduce food sampling budget	Public Protection	(14,000)	(14,000)	(14,000)	Reduce food sampling budget.
66	Bereavement services - reduction in cremator maintenance	Public Protection	0	(5,000)	(5,000)	Reduction in cremator maintenance at Streetly crematorium.
69	Reduce the frequencies of highway herbicide spraying	Street Pride	(48,000)	(48,000)	(48,000)	Reduce the frequencies of highway herbicide spraying or part spraying.



No.	POLICY CHANGES	SERVICE AREA	ANNUAL NET COST			DETAILS
			2007/08 £	2008/09 £	2009/10 £	
70	Reduce gully cleansing service to a reactive service	Street Pride	(20,000)	(45,000)	(45,000)	Reduce gully cleansing service to a reactive service. Proposal is that gullies are only attended when there is a report of a blockage or where flooding has been identified. (Reduction of 3 to 1 crew.) Productivity improvement through reducing crews and delivering service based on needs.
71	Reduce the current highways responsive maintenance service to a reactive service	Street Pride	(100,000)	(100,000)	(100,000)	Reduce the current responsive maintenance service to a reactive service which only undertakes essential maintenance on a complaints and emergency basis, i.e. reported potholes (Priority 1's) and emergency call - outs only. This proposed saving would result in a potential redundancy of some staff and the associated costs of redundancies would need to be met from existing revenue budgets.
72	Staffing restructure	Childrens services	(320,000)	(320,000)	(320,000)	A remodelling of social work services to reduce social work and management posts equivalent to one vulnerable children's team (10 posts)
73	Rationalise number of staff in highway maintenance through voluntary redundancies	Street Pride	(50,000)	(95,000)	(95,000)	Rationalise number of staff in highway maintenance through voluntary redundancies
74	Reduction in use of external placements	Childrens services	(358,000)	(358,000)	(358,000)	A reduction of 3 independent residential placements and 4 external foster care placements.
75	Reduction in project funding	Youth Service	(86,000)	(86,000)	(86,000)	Reduction in funding for youth clubs and projects
76	Reduction of hospital social work team - older peoples services	Older people	(300,811)	(300,811)	(300,811)	It is assumed that there will be no redundancy costs as the existing staff will be re-deployed into vacant posts and/or replace agency staff who cost on average 30% more than substantive posts.
77	Road safety education within schools	Highways & Transport	(11,000)	(11,000)	(11,000)	Road safety education within schools - non statutory function. Investigate scope for LAA funding
78	Reduce value of service level agreement for day care	Mental Health	(50,000)	(50,000)	(50,000)	Reduce value of service level agreements for day care . Mental health have service level agreements with 2 providers for 3 day care services - 2 per adults and 1 for older people.
79	Decrease in purchases	Libraries & Heritage	(10,000)	(10,000)	(10,000)	Decrease in media purchase fund for stock in libraries.
80	Catering review	Catering	(10,000)	(14,000)	(14,000)	Full review of catering service within the Town Hall
81	Rationalisation of secretarial and admin support	Business Support	(330,000)	(330,000)	(330,000)	Rationalisation of secretarial and admin support at head of service level and below.
82	Negotiation of a saving on post mortem/ mortuary services	Public Protection	(30,000)	(30,000)	(30,000)	Negotiation of a saving on procuring post mortem/mortuary services either with the current provider or with a neighbouring authority (W'ton CC)
83	Reduction in highways maintenance	Engineering & Transport	(60,000)	(60,000)	(60,000)	Reduction in planned highways maintenance programme.
TOTAL REDUCTION IN SERVICE			(3,398,954)	(3,589,093)	(3,589,093)	

No. 68 - Reduciton in litter picking/sweeping has been withdrawn

# SUMMARY OF DRAFT CORPORATE REVENUE BUDGET 2007/8

SERVICE / LEVY ETC.	2006/7 BASIC FORECAST £000	INFLATIONARY PRESSURES £000	PAY RELATED CHANGES £000	OTHER CHANGES £000	BASIC FORECAST 2007/8 £000	FYE OF 2006/7 APPROVED SAVINGS £000	FYE OF 2006/7 APPROVED INVESTMENT £000	NEW SAVINGS & EFFICIENCIES £000	NEW INVESTMENT £000	FORECAST 2007/8 INCL. SAVINGS & INVESTMENT £000
Corporate services	23,438	353	815	1,850	26,456	-411	20	-1,457	0	24,608
Social care & inclusion	60,306	1,473	999	-131	62,647	-66	711	-1,816	911	62,387
Children & young people	73,541	1,328	457	631	75,957	-729	0	-977	0	74,251
Neighbourhood services	60,358	1,084	1,468	119	63,029	-163	734	-3,059	1,327	61,868
Regeneration	2,838	16	155	-253	2,756	272	0	-458	235	2,805
<b>SUB TOTAL SERVICES</b>	<b>220,481</b>	<b>4,254</b>	<b>3,894</b>	<b>2,216</b>	<b>230,845</b>	<b>-1,097</b>	<b>1,465</b>	<b>-7,767</b>	<b>2,473</b>	<b>225,919</b>
Capital Financing	11,718		-23	1,323	13,018	0	0	0	0	13,018
LESS: Capital Charges	-41,610				-41,610	0	0	0	0	-41,610
Non-service specific prudence/central items	397			1,301	1,698	0	0	0	0	1,698
<b>SUB TOTAL CENTRAL ITEMS</b>	<b>-29,495</b>	<b>0</b>	<b>-23</b>	<b>2,624</b>	<b>-26,894</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-26,894</b>
<b>Levies:</b>										
PTE (% increase to be advised)	12,557	286			12,843	0	0	0	0	12,843
Environment Agency	81	13			94	0	0	0	0	94
					0					
<b>NET REVENUE EXPENDITURE</b>	<b>203,624</b>	<b>4,553</b>	<b>3,871</b>	<b>4,840</b>	<b>216,888</b>	<b>-1,097</b>	<b>1,465</b>	<b>-7,767</b>	<b>2,473</b>	<b>211,962</b>
(Use of)/contribution to reserves	355		0	607	962	0	0	0	0	962
<b>GRAND TOTAL BUDGET REQUIREMENT</b>	<b>203,979</b>	<b>4,553</b>	<b>3,871</b>	<b>5,447</b>	<b>217,850</b>	<b>-1,097</b>	<b>1,465</b>	<b>-7,767</b>	<b>2,473</b>	<b>212,924</b>

Other changes include all other budgetary adjustments required that are not pay or inflation related, such as:

- Removal of one off items
- Corporate financial pressures - as detailed in report
- Contribution to/ (from) reserves

Levies are subject to final notification



**SUMMARY OF DRAFT CORPORATE REVENUE FORECAST 2007/8 INCLUDING INVESTMENT****1. DRAFT COUNCIL TAX EXCLUDING PRECEPTS (WALSALL COUNCIL ONLY)****A. LEVELS FOR PROPERTIES WITH TWO OR MORE RESIDENTS (67% of Properties)**

BAND	WEIGHT	2006/7 C.TAX	2007/8 C.TAX	ANNUAL CHANGE	ANNUAL INCREASE
		£	£	£	%
A	6/9	800.12	831.25	31.13	3.89%
B	7/9	933.47	969.79	36.32	3.89%
C	8/9	1,066.82	1,108.33	41.51	3.89%
D	9/9	1,200.17	1,246.87	46.70	3.89%
E	11/9	1,466.88	1,523.95	57.07	3.89%
F	13/9	1,733.58	1,801.03	67.45	3.89%
G	15/9	2,000.29	2,078.11	77.82	3.89%
H	18/9	2,400.35	2,493.74	93.39	3.89%

**2. DRAFT OVERALL COUNCIL TAX INCLUSIVE OF PRECEPTS****A. DRAFT LEVELS FOR PROPERTIES WITH TWO OR MORE RESIDENTS (67% of Properties)****ESTIMATE - ACTUAL T.B.OVERALL (INC PRECEPTS)**

BAND	WEIGHT	2006/7 TOTAL C.TAX	2007/8 WMBC C.TAX	2007/8 FIRE PRECEPT	2007/8 POLICE PRECEPT	2007/8 TOTAL C.TAX	ANNUAL C.TAX INCREASE	ANNUAL C.TAX INCREASE
		£	£	£	£	£	£	%
A	6/9	887.28	831.25	29.40	60.83	921.48	34.20	3.86%
B	7/9	1,035.15	969.79	34.30	70.96	1,075.05	39.90	3.86%
C	8/9	1,183.02	1,108.33	39.20	81.10	1,228.63	45.61	3.86%
D	9/9	1,330.90	1,246.87	44.10	91.24	1,382.21	51.31	3.86%
E	11/9	1,626.66	1,523.95	53.90	111.52	1,689.37	62.71	3.86%
F	13/9	1,922.41	1,801.03	63.70	131.79	1,996.52	74.11	3.86%
G	15/9	2,218.18	2,078.11	73.50	152.07	2,303.68	85.50	3.86%
H	18/9	2,661.81	2,493.74	88.20	182.48	2,764.42	102.61	3.86%

**B. DRAFT LEVELS FOR PROPERTIES WITH ONE RESIDENT (25% DISCOUNT) (33% of Properties)****ESTIMATE - ACTUAL T.B.A**

BAND	WEIGHT	2006/7 TOTAL C.TAX	2007/8 WMBC C.TAX	2007/8 FIRE PRECEPT	2007/8 POLICE PRECEPT	2007/8 TOTAL C.TAX	ANNUAL C.TAX INCREASE	ANNUAL C.TAX INCREASE
		£	£	£	£	£	£	%
A	6/9	665.45	623.43	22.05	45.62	691.10	25.65	3.86%
B	7/9	776.36	727.34	25.73	53.22	806.29	29.93	3.86%
C	8/9	887.28	831.25	29.40	60.83	921.48	34.20	3.86%
D	9/9	998.18	935.15	33.08	68.43	1,036.66	38.48	3.86%
E	11/9	1,219.99	1,142.96	40.43	83.64	1,267.03	47.04	3.86%
F	13/9	1,441.81	1,350.77	47.78	98.84	1,497.39	55.58	3.86%
G	15/9	1,663.64	1,558.58	55.13	114.05	1,727.76	64.12	3.86%
H	18/9	1,996.35	1,870.30	66.15	136.86	2,073.31	76.96	3.86%

**3. SPREAD OF PROPERTIES**

The proportion of properties within Walsall MBC within each Council Tax band at 01st December 2006 is as follows:

BAND	A	B	C	D	E	F	G	H	TOTAL
PROPERTIES (No)	49,356	24,668	16,540	9,519	5,294	2,216	722	53	108,368
PROPERTIES (%)	45.54	22.76	15.26	8.78	4.89	2.04	0.67	0.05	100
CUMULATIVE	68.31%								
TOTALS	83.57%								
	92.35%								

**4. WEEKLY INCREASE IN COUNCIL TAX (WALSALL MBC ELEMENT)**

BAND	A	B	C	D	E	F	G	H
£	0.60	0.70	0.80	0.90	1.09	1.29	1.49	1.79

# SUMMARY OF DRAFT CORPORATE REVENUE BUDGET 2008/9

SERVICE / LEVY ETC.	2007/8 BASIC FORECAST £000	INFLATIONARY PRESSURES £000	PAY RELATED CHANGES £000	OTHER CHANGES £000	BASIC FORECAST 2008/9 £000	FYE OF 2006/7 APPROVED SAVINGS £000	FYE OF 2006/7 APPROVED INVESTMENT £000	NEW SAVINGS & EFFICIENCIES £000	NEW INVESTMENT £000	FORECAST 2008/9 INCL. SAVINGS & INVESTMENT £000
Corporate services	26,456	343	811	-503	27,107	-411	51	-1,456	0	25,291
Social care & inclusion	62,647	1,567	997	789	66,000	-66	1,356	-1,796	1,554	67,048
Children & young people	75,957	1,360	456	-639	77,134	-699	0	-977	0	75,458
Neighbourhood services	63,029	239	1,277	-32	64,513	-163	1,716	-3,233	1,336	64,169
Regeneration	2,756	17	140	-60	2,853	272	0	-271	235	3,089
<b>SUB TOTAL SERVICES</b>	<b>230,845</b>	<b>3,526</b>	<b>3,681</b>	<b>-445</b>	<b>237,607</b>	<b>-1,067</b>	<b>3,123</b>	<b>-7,733</b>	<b>3,125</b>	<b>235,055</b>
Capital Financing	13,018		-23	1,993	14,988	0	0	0	0	14,988
LESS: Capital Charges	-41,610				-41,610	0	0	0	0	-41,610
Non-service specific prudence/central items	1,698			1,526	3,224	0	0	0	0	3,224
<b>SUB TOTAL CENTRAL ITEMS</b>	<b>-26,894</b>	<b>0</b>	<b>-23</b>	<b>3,519</b>	<b>-23,398</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-23,398</b>
<b>Levies:</b>										
PTE (% increase to be advised)	12,843	466			13,309	0	0	0	0	13,309
Environment Agency	94	4			98	0	0	0	0	98
<b>NET REVENUE EXPENDITURE</b>	<b>216,888</b>	<b>3,996</b>	<b>3,658</b>	<b>3,074</b>	<b>227,616</b>	<b>-1,067</b>	<b>3,123</b>	<b>-7,733</b>	<b>3,125</b>	<b>225,064</b>
(Use of)/contribution to reserves	962		0	-962	0	0	0	0	0	0
<b>GRAND TOTAL BUDGET REQUIREMENT</b>	<b>217,850</b>	<b>3,996</b>	<b>3,658</b>	<b>2,112</b>	<b>227,616</b>	<b>-1,067</b>	<b>3,123</b>	<b>-7,733</b>	<b>3,125</b>	<b>225,064</b>

Other changes include all other budgetary adjustments required that are not pay or inflation related, such as:

- Removal of one off items
- Corporate financial pressures - as detailed in report
- Contribution to/ (from) reserves

Levies are subject to final notification

# SUMMARY OF DRAFT CORPORATE REVENUE BUDGET 2009/10

SERVICE / LEVY ETC.	2008/9 BASIC FORECAST £000	INFLATIONARY PRESSURES £000	PAY RELATED CHANGES £000	OTHER CHANGES £000	BASIC FORECAST 2009/10 £000
Corporate services	27,107	276	833	96	28,312
Social care & inclusion	66,000	1,699	1,025	0	68,724
Children & young people	77,134	1,364	469	0	78,967
Neighbourhood services	64,513	683	1,312	11	66,519
Regeneration	2,853	16	143	0	3,012
<b>SUB TOTAL SERVICES</b>	<b>237,607</b>	<b>4,038</b>	<b>3,782</b>	<b>107</b>	<b>245,534</b>
Capital Financing	14,988		-23	1,997	16,962
LESS: Capital Charges	-41,610				-41,610
Non-service specific prudence/central items	3,224			2,060	5,284
<b>SUB TOTAL CENTRAL ITEMS</b>	<b>-23,398</b>	<b>0</b>	<b>-23</b>	<b>4,057</b>	<b>-19,364</b>
<b>Levies:</b>					
PTE (% increase to be advised)	13,309	508			13,817
Environment Agency	98	5			103
<b>NET REVENUE EXPENDITURE</b>	<b>227,616</b>	<b>4,551</b>	<b>3,759</b>	<b>4,164</b>	<b>240,090</b>
(Use of)/contribution to reserves	0		0	0	0
<b>GRAND TOTAL BUDGET REQUIREMENT</b>	<b>227,616</b>	<b>4,551</b>	<b>3,759</b>	<b>4,164</b>	<b>240,090</b>

FYE OF 2006/7 APPROVED SAVINGS £000	FYE OF 2006/7 APPROVED INVESTMENT £000	NEW SAVINGS & EFFICIENCIES £000	NEW INVESTMENT £000	FORECAST 2009/10 INCL. SAVINGS & INVESTMENT £000
-411	93	-1,457	0	26,537
-66	2,046	-1,796	1,890	70,798
-699	0	-977	0	77,291
-163	2,136	-3,232	1,286	66,546
297	0	-296	235	3,248
<b>-1,042</b>	<b>4,275</b>	<b>-7,758</b>	<b>3,411</b>	<b>244,420</b>
0	0	0	0	16,962
0	0	0	0	-41,610
0	0	0	0	5,284
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-19,364</b>
0	0	0	0	13,817
0	0	0	0	103
<b>-1,042</b>	<b>4,275</b>	<b>-7,758</b>	<b>3,411</b>	<b>238,976</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>-1,042</b>	<b>4,275</b>	<b>-7,758</b>	<b>3,411</b>	<b>238,976</b>

Other changes include all other budgetary adjustments required that are not pay or inflation related, such as:

- Removal of one off items
- Corporate financial pressures - as detailed in report
- Contribution to/ (from) reserves

Levies are subject to final notification

# SUMMARY OF DRAFT CORPORATE REVENUE BUDGET 2010/11

SERVICE / LEVY ETC.	2009/10 BASIC FORECAST £000	INFLATIONARY PRESSURES £000	PAY RELATED CHANGES £000	OTHER CHANGES £000	BASIC FORECAST 2010/11 £000
Corporate services	28,312	61	736		29,109
Social care & inclusion	68,724	1,149	882		70,755
Children & young people	78,967	2,040	404		81,411
Neighbourhood services	66,519	889	1,130		68,538
Regeneration	3,012	-46	124		3,090
<b>SUB TOTAL SERVICES</b>	<b>245,534</b>	<b>4,093</b>	<b>3,276</b>	<b>0</b>	<b>252,903</b>
Capital Financing	16,962		-23	628	17,567
LESS: Capital Charges	-41,610				-41,610
Non-service specific prudence/central items	5,284			72	5,356
<b>SUB TOTAL CENTRAL ITEMS</b>	<b>-19,364</b>	<b>0</b>	<b>-23</b>	<b>700</b>	<b>-18,687</b>
<b>Levies:</b>					
PTE (% increase to be advised)	13,817	528			14,345
Environment Agency	103	5			108
<b>NET REVENUE EXPENDITURE</b>	<b>240,090</b>	<b>4,626</b>	<b>3,253</b>	<b>700</b>	<b>248,669</b>
(Use of)/contribution to reserves	0		0	0	0
<b>GRAND TOTAL BUDGET REQUIREMENT</b>	<b>240,090</b>	<b>4,626</b>	<b>3,253</b>	<b>700</b>	<b>248,669</b>

FYE OF 2006/7 APPROVED SAVINGS £000	FYE OF 2006/7 APPROVED INVESTMENT £000	NEW SAVINGS & EFFICIENCIES £000	NEW INVESTMENT £000	FORECAST 2010/11 INCL. SAVINGS & INVESTMENT £000
-411	146	-1,456	0	27,388
-66	2,736	-1,796	1,785	73,414
-699	0	-977	0	79,735
-163	2,136	-3,233	1,714	68,992
272		-271	235	3,326
<b>-1,067</b>	<b>5,018</b>	<b>-7,733</b>	<b>3,734</b>	<b>252,855</b>
0	0	0	0	17,567
0	0	0	0	-41,610
0	0	0	0	5,356
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-18,687</b>
0	0	0	0	14,345
0	0	0	0	108
<b>-1,067</b>	<b>5,018</b>	<b>-7,733</b>	<b>3,734</b>	<b>248,621</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>-1,067</b>	<b>5,018</b>	<b>-7,733</b>	<b>3,734</b>	<b>248,621</b>

Other changes include all other budgetary adjustments required that are not pay or inflation related, such as:

- Removal of one off items
- Corporate financial pressures - as detailed in report
- Contribution to/ (from) reserves

Levies are subject to final notification

# SUMMARY OF DRAFT CORPORATE REVENUE BUDGET 2011/12

SERVICE / LEVY ETC.	2010/11 BASIC FORECAST £000	INFLATIONARY PRESSURES £000	PAY RELATED CHANGES £000	OTHER CHANGES £000	BASIC FORECAST 2011/12 £000	FYE OF 2006/7 APPROVED SAVINGS £000	FYE OF 2006/7 APPROVED INVESTMENT £000	NEW SAVINGS & EFFICIENCIES £000	NEW INVESTMENT £000	FORECAST 2011/12 INCL. SAVINGS & INVESTMENT £000
Corporate services	29,109	62	758		29,929	-411	146	-1,456	0	28,208
Social care & inclusion	70,755	1,183	910		72,848	-66	3,358	-1,796	1,679	76,023
Children & young people	81,411	2,102	416		83,929	-699	0	-977	0	82,253
Neighbourhood services	68,538	915	1,163		70,616	-163	2,136	-3,233	1,806	71,162
Regeneration	3,090	-47	127		3,170	272	0	-271	235	3,406
<b>SUB TOTAL SERVICES</b>	<b>252,903</b>	<b>4,215</b>	<b>3,374</b>	<b>0</b>	<b>260,492</b>	<b>-1,067</b>	<b>5,640</b>	<b>-7,733</b>	<b>3,720</b>	<b>261,052</b>
Capital Financing	17,567		-23	711	18,255	0	0	0	0	18,255
LESS: Capital Charges	-41,610				-41,610	0	0	0	0	-41,610
Non-service specific prudence/central items	5,356			80	5,436	0	0	0	0	5,436
<b>SUB TOTAL CENTRAL ITEMS</b>	<b>-18,687</b>	<b>0</b>	<b>-23</b>	<b>791</b>	<b>-17,919</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-17,919</b>
<b>Levies:</b>										
PTE (% increase to be advised)	14,345	548			14,893	0	0	0	0	14,893
Environment Agency	108	6			114	0	0	0	0	114
<b>NET REVENUE EXPENDITURE</b>	<b>248,669</b>	<b>4,769</b>	<b>3,351</b>	<b>791</b>	<b>257,580</b>	<b>-1,067</b>	<b>5,640</b>	<b>-7,733</b>	<b>3,720</b>	<b>258,140</b>
(Use of)/contribution to reserves	0		0	0	0	0	0	0	0	0
<b>GRAND TOTAL BUDGET REQUIREMENT</b>	<b>248,669</b>	<b>4,769</b>	<b>3,351</b>	<b>791</b>	<b>257,580</b>	<b>-1,067</b>	<b>5,640</b>	<b>-7,733</b>	<b>3,720</b>	<b>258,140</b>

Other changes include all other budgetary adjustments required that are not pay or inflation related, such as:

- Removal of one off items
- Corporate financial pressures - as detailed in report
- Contribution to/ (from) reserves

Levies are subject to final notification

## **CHIEF FINANCE OFFICER (CFO) REPORT ON ROBUSTNESS OF THE BUDGET & ADEQUACY OF RESERVES – SUPPORTING INFORMATION**

### **Context**

In accordance with the Local Government Act 2003 (S25-S27) and to comply with CIPFA guidance on local authority reserves and balances, the CFO is required to formally report to members on the robustness of the budget and the adequacy of reserves. The CFO is appropriately qualified under the terms of S113 of the Local Government Finance Act 1988. In signing off this overall revenue budget report, the signature of the Executive Director (Corporate Services) who holds the post of CFO constitutes the formal declaration required under the Act that these conditions have been fully met. This statement is also signed.

### **Adequacy of reserves**

The CFO assesses and determines the appropriate level of reserves (including schools reserves) and provisions using a variety of mechanisms, including;

- Being significantly involved in the budget setting process, the annual financial cycle, and engaged in the strategic leadership of the organisation as a member of EMT including wider corporate roles beyond that of finance;
- Writing and leading on the annual refresh of the Medium Term Financial Strategy and the production and refresh of the corporate integrated planning and performance framework (CIPPF) within which the financial framework lies;
- Challenging the budget at various stages of construction, including the reasonableness of the key budget assumptions, such as estimates of inflationary and corporate financial pressures, realism of income targets, and the extent to which known trends and liabilities are provided for;
- Meetings with specific colleagues to examine particular areas or issues;
- An in-depth review of the financial risk assessments;
- Review of the movements, trends and availability of contingency, provisions and earmarked reserves to meet unforeseen cost pressures in the context of future pressures and issues;
- The use of professional experience and best professional judgement;
- The use of appropriate professional, technical guidance and local frameworks;
- Knowledge of the colleagues involved in the process, particularly finance professionals, including their degree of experience and qualifications;
- Review of the strength of financial management and reporting arrangements, including internal control and governance arrangements.

This is undertaken in consultation with relevant colleagues and the cabinet portfolio holder for resources.

It is prudent for councils to maintain an adequate “working balance”, which is part of general reserves. A risk assessment approach is used to determine the required

level of general reserves and provisions. Our combined medium term financial strategy (MTFS), decision conferencing and budget preparation processes were identified by the Audit Commission as areas of notable practice to be shared nationally. The seventh (revised) edition of our MTFS was approved in November 2006. The matter of reserves and contingencies is addressed as the first of ten themes of strategic principles, demonstrating our acknowledgement of the importance of sound governance and the priority this issue is given.

Our longstanding previous aim was to have a prudent level of general reserves and incrementally increase them to get to an acceptable level. This was achieved in 2005 and the level of general reserves, in the same way as central contingency, is index linked to the level of the net general fund revenue budget and continues to be informed by the risk assessment. The council will establish opening general reserves of between 2% and 2.25% of the total net general fund revenue budget, the precise level within this range to be determined by risk assessment. The level of reserves for 2007/08 will be c£4.6 m and this is c2.2% of the net budget requirement

The MTFS also sets out the authority's financial framework including, as the first of ten themes of operational principles, calls on reserves and contingencies. This includes that reserves should not be considered to be or used as a budget and any in-year calls on the working balance should be replenished. Services should also not approve unbudgeted expenditure on the assumption that it will be met from the working balance. A central contingency of £391k for 2007/08 (i.e.: 0.1% of the previous year's net revenue budget) supports prudent financial management. Experience shows that this should be adequate. Adequate ear marked reserves and provisions have been created to meet legal and expected liabilities. A list of reserves is included in **Annex 12**.

In recommending an adequate level of reserves, the CFO considers and monitors the opportunity costs of maintaining particular levels of reserves and balances and compares these to the benefits accrued from having such reserves. The opportunity cost of maintaining a specific level of reserves is the 'lost' opportunity for example, of investing elsewhere to generate additional investment income, or using the funds to invest in service improvements. In assessing this it is important to consider that reserves can only be used once and are therefore potentially only "one off" sources of funding. Therefore, any use of general reserves above the lower minimum threshold is only ever used on one-off items of expenditure. The level of reserves is also determined by use of a comprehensive risk assessment to ensure they represent an appropriately robust "safety net" which adequately protects the council (a complex and multi-disciplinary metropolitan local authority) against potential unbudgeted costs.

The current level of reserves, whilst substantially more than in the period before 1988/89, is relatively modest but appropriate. The level is considered to be sufficient in all but the most unusual and serious combination of possible events. In this context, it is considered that the current level of reserves presents an optimum balance between risk management and opportunity cost. This maintains a suitable and sustainable level of reserves, which include ensuring sound governance and financial stability in the short and longer term.

## **Schools Reserves**

The CFO as part of this statement is required to confirm that schools balances are adequate. DfES has introduced some new expectations on local authorities with regard to their schemes of financial management. Part of this legislation states that schools should have a balance control mechanism.

Walsall's scheme must include a provision that allows the Authority to place a control mechanism on uncommitted surplus balances. The Balance Control Mechanism (BCM) seeks to ensure that schools can build up reserves towards particular projects, through committing balances to those projects, but prevents schools from deferring implementation indefinitely. The BCM will take account of any funds paid into the school's budget share, except for funds relating to community facilities provided by the school, in accordance with Section 27 of the Education Act (2002). The scheme will be applied from 1 April 2007. It allows schools to have uncommitted balances of between 5% and 8% (or £10,000, whichever is the greater) depending on the size/age range of the school. The levels of reserves will be kept under regular review along with compliance with BCM through 2007/08.

The adequacy of balances was reviewed by the CFO at the end of 2005/06 and will be reviewed again as part of the 2006/07 closure of accounts process. At this time 6 primary, 6 secondary, 0 nursery and 1 special school were in deficit. Action plans have been put in place to deal with each of these. The overall level of reserves is considered adequate.

## **Use of Reserves**

The above assessment demonstrates that general reserves are at an appropriate level; as determined in accordance with the MTFS and the CFO's professional advice. The MTFS allows any reserves above the level required by the MTFS to be used to fund one off items of expenditure. No general reserves below the minimum threshold are being used to support the 2007/08 budget and no reserves are being used to fund recurring expenditure. The risk assessment described elsewhere in this report has informed the established level of general and earmarked reserves. CIPFA guidance (LAAP 55) provides two methods of determining the minimum level of reserves. Walsall Council uses the method based on risk assessment. The central contingency for 2007/08 has increased since last year and is adequate.

The CFO has been involved throughout the entire budget process, including revising the MTFS, input to the drafting of the budget, the ongoing financial monitoring and reporting process, evaluation of investments and savings, engagement with members of the executive and scrutiny, advising colleagues, the strategic choices activities, the public consultation process, challenge and evaluation activities, and the scrutiny and approval of various reports. The following sections of this statement signpost to particular activities and documents.

**Process** – a robust budget process has been used within the overall context of the MTFS. The process, timetable and the overall budget framework were approved by Cabinet.

**Timetable** – the process commenced in July 2006 and the draft budget was complete in November slightly before the draft Government financial settlement. This enabled budget conferences to take place with cabinet on 9 November 2006 and



corporate services scrutiny on 27 November and 29 November 2006. Formal scrutiny took place in November and January by all five panels. Public consultation has been ongoing since November 2006. The final budget is due to be set at Council on 26 February 2007, well within the statutory deadline.

**Member involvement and Scrutiny** – both informal and formal member involvement has been extensive, particularly through the cabinet portfolio holder for finance, individual portfolio holders in conjunction with executive directors, decision conference with the cabinet on 9 November 2006 and with the corporate services scrutiny panel on 27 November and 29 November. Cabinet formally considered a draft budget on 17 January 2007. Scrutiny panels have each had two opportunities to make recommendations and comments to cabinet, both on the services within their individual remit and the overall budget. Presentations have also been made to political groups, including budget briefings with the Labour and Liberal Democrat groups.

**Consultation** – internally and externally, has been comprehensive as outlined in this report and in a separate report on tonight's agenda.

**Challenge** – there are various points of challenge at various stages of the budget, including throughout the strategic choices and decision conferences, meetings of various directorate management teams, EMT meetings, officer and member decision conferences and the scrutiny process itself.

**Budget monitoring** – reports continue to be submitted to cabinet, scrutiny panels, EMT, performance boards and management teams across the council throughout the year. The council's IPM process (which has been refreshed again this year) also requires review of financial performance for individual managers, complementary to the formal accountability process.

**Capping** – based on the council tax increase outlined in this report (less than 5%), capping is considered to be very unlikely. The contingency plan would be to either identify additional savings or to remove some planned investment from the budget to the level of the cap.

**Ownership and accountability** – the budget has progressed through various filters during its construction including endorsement of management teams within services and EMT itself. Each year "accountability letters" are sent to every manager setting out budget scope and responsibilities, including implementation of investment and savings. Managers are required to sign and return a copy acknowledging their responsibilities. This is formally tracked and reported on throughout the year. The IPM process similarly requires formal assessment of individual budget management responsibilities. The accountability letters will be issued again before the start of the 2007/08 financial year and as in all years, developed further from the previous year.

**Current financial position** – the budget is a statement of financial intent, reflecting the council's vision, plans and priorities. It also sets the financial spending parameters for each financial year and as such, the CFO assessment of the adequacy of reserves also includes the risk of services overspending and/or underspending their budgets and the impact of this on the financial health of the

council and its level of reserves. The current financial position has been reported on consistently throughout the year. The 2007/08 draft budget includes the replenishment of reserves to the threshold level (explained above) following a predicted net revenue overspend of c £1m in 2006/07.

### **Key assumptions**

The pay and prices used in the budget are derived from current intelligence, are considered appropriate and compare with those used by other councils. Demand changes have been identified and are reflected in budget increases identified in the appendices. Fees and charges have been reviewed and changes are reflected in the overall budget. The capital receipts to be used for the draft capital programme are based on professional estimates both of timing and value and are considered adequate to fund the programme. The council has established performance monitoring arrangements for all key partnerships (e.g.: education, street lighting PFI, New Deal, SRB and internal audit).

**Financial risks** – the council continues to use an embedded good practice risk assessment approach both when setting the budget and in validating estimated outturns. This continues for the 2006/07 outturn and 2007/08 plus budget. Details are set out in this report and **Annex 13**. The prevailing level of general reserves is considered adequate to cover all but the most unusual and serious combination of events.

### **The budget in Context**

The budget is a reflection of the vision, aims, objectives and policies of the council, and has been constructed with that in mind. The budget has been constructed in accordance with the principles and direction of the MTFS. Total additional new service investment (growth) this year is **£2.473m**, along with corporate growth (unavoidable council wide costs) of **£3.965m**, with additional investment to support general, contractual and pay inflation, plus other budget changes of **c£10.275m**, offset by and savings and efficiencies of **£7.767m**, a total increase of **£8.946m**. The prudential code has been used to an appropriate degree to finance investment in ICT infrastructure and the strategic transformation programme to ensure efficiency savings are driven out to re-invest in front line services and is planned to be further used to finance a major repairs programme in non-educational establishments, aligned to a strategic approach to the management of infrastructure, to enable more effective asset management and realise receipts.

All efficiencies and savings have been appraised to ensure accuracy of costings and deliverability. Individual officers are identified as accountable for their implementation. None of the efficiencies/savings are considered to be materially detrimental to PI outcomes. The council is working to improve performance outcomes on a range of activities which are monitored through the *Beacon Index* and within services across the council. Service plans currently being finalised are linking budget provision with corporate and service priorities. Budget provision has been identified for the pledges outlined in the council's vision document, as set out at **Section 8** of the plan.

**Summary**

Best endeavours have been made to ensure that the budget and reserves are adequate using the information available at this date. The budget has been constructed with a professional policy-led medium term strategic framework, using appropriate assumptions, linking investment and spending to key priorities and having undertaken a comprehensive assessment of risk.

A handwritten signature in black ink, appearing to read 'Carole Evans', with a horizontal line underneath.

Carole Evans, CPFA  
Chief Finance Officer  
31 January 2007

Forecast of miscellaneous provisions and other earmarked reservesEARMARKED RESERVES

	OPENING BALANCE @ 01.04.06 £	ANTICIPATED MOVEMENTS 2006/7 £	ANTICIPATED MOVEMENTS 2007/8 £
1) Rent Office Former Employee Pension Costs <i>Funds received by former DETR (now ODPM). Historically, the rent officer service was funded via grant through local authorities but is now funded direct. When the transition took place, DETR provided these funds to cover the future years added sums costs of retired rent officer employees that remained with the council after the funding arrangements changed.</i>	(40,532)	4,700	4,900
2) Transformational change / path to excellence <i>This reserve was created in 2002/3 to support the establishment of a performance fund to drive / support recovery</i>	(24,274)	24,274	0
3) Approved carry forward of underspends  <i>This is a best practice approach whereby council services which can demonstrate that underspends are as a result of sound budget management rather than 'windfalls' and/or where cashflows mean that costs will fall into a later year by default are allowed to carry a % of this forward to utilise in future years against targeted projects that improve service delivery or aid service development. A proportion of some overspends is also carried forward under this scheme.</i>	(853,612)	853,612	Not available at this point in time
4) Costs arising from pay equalisation	(6,078,237)	2,550,000	1,538,132
5) Oracle <i>This reserve was created to fund further enhancements of the current financial systems.</i>	(250,000)	20,000	230,000
6) Strategic Transformation <i>This was created to drive forward the transformation of the authority</i>	(621,457)	573,000	48,457
7) Landfill tax scheme <i>New regulations allow for any used landfill credits to be kept and used in future years if the authority exceeds its landfill allowance.</i>	(207,493)	0	0
8) Community engagement / LNP's <i>This reserve was established to provide some pump priming support to LNP's in implementing their Local Plan.</i>	(211,354)	171,000	40,354
9) Education contract <i>The current education contract ends July 2008. This reserve is to help cover the costs of putting together a new contract.</i>	(250,000)	0	250,000
10) Early retirement costs <i>This reserve is held to help cover the cost of future increases in the employers superannuation rate as a result of early retirement decisions. If a service grants early retirement, the future pension cost to Walsall is calculated and charged to the originating service at the time.</i>	(239,128)	(421,384)	0
11) Local Authority Business Growth Initiative (LABGI) <i>This reserve is held to help cover the cost of one off projects to create the environment for further business and economic growth within the borough.</i>	(1,504,603)	(1,019,769)	2,524,372
12) School balances <i>Unspent balances of budgets delegated to individual schools.</i>	(8,451,103)	Not available at this point in time	Not available at this point in time
13) Pensions reserve <i>This is a ringfenced reserve required in order to comply with accounting regulations concerning the local government pensions scheme (LGPS). It reflects the net liability Walsall would have to contribute to the LGPS if <u>all</u> employees in the scheme were to retire at the financial year end. It is not a reflection of monies actually owed to the pension scheme in real terms. Future years liabilities cannot be assessed as these are dependant upon future movements in financial markets.</i>	236,551,070	Not available at this point in time	Not available at this point in time
<b>SUB TOTAL OTHER EARMARKED RESERVES</b>	<b>217,819,277</b>	<b>2,755,433</b>	<b>4,636,215</b>



**MISCELLANEOUS PROVISIONS**

	OPENING BALANCE @ 01.04.06 £	ANTICIPATED MOVEMENTS 2006/7 £	ANTICIPATED MOVEMENTS 2007/8 £
1) Provision for part time employee pension costs <i>This provision was set up to cover the backdated contributions of part time employees pensions following a change in regulations which allowed part-time workers who were previously ineligible to now join the scheme.</i>	(300,000)	0	63,000
2) Legal costs for land waste disposal <i>Claim in respect of contaminated land .</i>	(35,977)	35,977	0
3) Unitary Development Plan <i>Provision set up to cover costs of a unitary development plan which we have a legal obligation to produce.</i>	(40,000)	40,000	0
4) General provision within Leisure & Culture <i>Set up to cover restructure proposals and new art gallery projects</i>	(300,001)	300,001	0
5) Provision for outstanding mediation <i>This provision was set up to cover outstanding mediation costs.</i>	(861,351)	660,000	201,351
6) Section 117 <i>Provision to provide for claims against the authority under mental health section 117. Dependent on individual claims being received, difficult to predict number and value of claims.</i>	(1,148,356)	30,000	50,000
7) HAZ - care programme <i>Income received from Health Action Zones to be utilised against HAZ projects.</i>	(41,542)	41,542	0
8) Housing benefit transitional scheme <i>Provision set up to cover the cost of repayment of housing benefit under the transitional scheme.</i>	(3,420,408)	3,420,408	0
9) Insurance fund <i>Provision to cover costs of all possible outstanding insurance claims against the authority</i>	(2,647,222)	(221,245)	Not available at this point in time
10) Commuted sums <i>Monies received from contractors in anticipation of work which will commence in future years.</i>	(188,057)	(150,000)	Not available at this point in time
11) Commutation adjustment <i>The provision is to provide additional support over the period that the commutation adjustment reduces to zero. The support will ensure that the reduction in the adjustment is smoothed over a period of time.</i>	(1,168,944)	290,000	200,000
<b>SUB TOTAL MISCELLANEOUS PROVISIONS</b>	<b>(10,151,858)</b>	<b>4,446,683</b>	<b>514,351</b>

ESTIMATED  
CLOSING  
BALANCE  
@ 31.03.08  
£

(30,932)

0

0

(1,990,105)

0

0

(207,493)

0

0

(660,512)

0

(8,451,103)

236,551,070

225,210,925





ESTIMATED  
CLOSING  
BALANCE  
@ 31.03.08  
£

(237,000)

0

0

0

0

(1,068,356)

0

0

(2,868,467)

(338,057)

(678,944)

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(5,190,824)

## Financial Risk Assessment - Corporate Revenue Budget 2007/08

POTENTIAL RISK	HIGH RISK/LIKELY COST IF OCCURS £'000	MEDIUM RISK/LIKELY COST IF OCCURS £'000	LOW RISK / LIKELY RISK IF OCCURS £'000	TOTAL FINANCIAL EXPOSURE TO RISK £'000
<b>NEIGHBOURHOOD SERVICES</b>				
Under recovery of cemeteries income	50			50
Increased on-going costs arising from equal pay settlement for cleaners	70			70
Fleet - increased fuel costs (inflation in excess of budget increase)		50		50
Illuminations - fall in income targets		50		50
Catering - continued fall in school meal demand and possible changes to government grant funding		100		100
Unanticipated legal costs from trading standards prosecutions		50		50
Loss of WHG contract within Street Pride		100		100
Non-achievement of efficiency savings and budget re-alignment in Street Pride		250		250
<b>Total Neighbourhood services</b>	<b>120</b>	<b>600</b>	<b>0</b>	<b>720</b>
<b>REGENERATION</b>				
Under recovery of Markets income (in excess of budgetary provision made)		75		75
Under recovery of Planning Application fee income (in excess of budgetary provision made)		45		45
Under recovery of Land Charges income (in excess of budgetary provision made)		30		30
<b>Total Regeneration</b>	<b>0</b>	<b>150</b>	<b>0</b>	<b>150</b>
<b>CENTRAL ITEMS</b>				
Belwin - Cost to council from major emergency		380	380	760
Lower than expected investment rate - reduced by 0.25%			131	131
Interest rate on loans increases by 1%			322	322
<b>Total Central Items</b>	<b>0</b>	<b>380</b>	<b>833</b>	<b>1,213</b>
<b>CORPORATE SERVICES</b>				
Fair Funding Income (FIS, Finance, Receivables, Payables) - shortfall of income from traded services with schools		44		44
Service Level Agreement between WHG and Insurance - potential for SLA not to be renewed			53	53
Legal Services - use of agency staff due to problems in filling vacancies	15			15
Post Room Savings regarding the consolidation of post rooms, currently been posted against support services budget	32			32
<b>Total Corporate services</b>	<b>47</b>	<b>44</b>	<b>53</b>	<b>144</b>
<b>CHILDREN &amp; YOUNG PEOPLE 07/08</b>				

POTENTIAL RISK	HIGH RISK/LIKELY COST IF OCCURS £'000	MEDIUM RISK/LIKELY COST IF OCCURS £'000	LOW RISK / LIKELY RISK IF OCCURS £'000	TOTAL FINANCIAL EXPOSURE TO RISK £'000
Unable to achieve saving re reduction in external placements for LAC		350		350
Print & Design - not achieving income target	400			400
<b>Total Children &amp; Young People</b>	<b>400</b>	<b>350</b>	<b>0</b>	<b>750</b>
<b>STRATEGIC TRANSFORMATION</b>				
HR: Increased number of criminal record bureau checks, as per govt requirements. Do not have budget for these and recharging will in many cases just pass on the overspend.			50	50
Business Support: Several staff are funded by temporary schemes, NRF etc but have been employed on permanent contracts. They will need to be released or alternative funding found.		100		100
Business Support: Risk of being able to meet savings target (including additional targets) on top of vacancy management requirement. Possible delays in identifying staff and making savings as only get at part year effect and offsetting costs.		93		93
<b>Total Strategic Transformation</b>	<b>0</b>	<b>193</b>	<b>50</b>	<b>243</b>
<b>SOCIAL CARE AND INCLUSION</b>				
Increased demand for all services following package deferrals - eligibility in 0607	200	600	500	1,300
Reduced third party funding for YADS staffing teams			100	100
Unable to contain mow tender within current budget			80	80
Reduced in year funding from partner agencies		100		100
Cannot continue vacancy freeze / reduction in agency staff levels	150	150	200	500
Unable to implement full year effects of 0708 savings and efficiencies (fairer charging, hospital team, transport charging)		250	250	500
Reduce admin fees - capital projects		100		100
Transitional double running costs relating to reprovision - LD and elderly - including double Tunning costs		150	450	600
Fee increases for contractual care above the rate of inflation - procurement activity		100	200	300
Clients assessments will result in reduced levels of fairer charging income		100	100	200
Inability to attract new sources of income for links to work business plan	300			300
<b>Total Social Care and Inclusion</b>	<b>650</b>	<b>1,550</b>	<b>1,880</b>	<b>4,080</b>
<b>TOTAL</b>	<b>1,217</b>	<b>3,267</b>	<b>2,816</b>	<b>7,300</b>