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FOREWORD

Solihull Council has a strong track record of delivering the improvements that our communities consider important. The Audit Commission has assessed us as performing well overall, concluding that the Council “is managing performance adequately and giving good value for money” and “is involving local people in setting priorities and improving services”. The organisational assessment carried out as part of the new Comprehensive Area Assessment reports that 88% of the people in Solihull are satisfied with the area as a place to live, which is higher than the average of 77.89% and higher than in the last equivalent survey.

National economic circumstances mean that local government will be placed under considerable financial strain in future years. This will result in lower levels of government grant, expectations of low council tax increases and pressure on the generation of local income streams from fees and charges. The Council's ambitions are to meet these financial challenges at the same time as delivering the following customer outcomes, focused around reducing inequalities in the borough:

- **building healthier, safer, stronger and prosperous communities;**
- **a brighter future for our children and young people; and**
- **good value services**

Our new medium term financial strategy has been developed in response to the uncertainties of the current climate and the need to progress a more robust approach to medium term financial planning. The strategy is designed to help provide a stable financial base from which to deliver the Council's priorities, to move the Council towards a more strategic longer-term planning approach and to set a sound financial planning framework for the Council.

The core principles underlying our medium term strategy are as follows:

- Maintaining a sustainable financial position which does not rely on a contribution from working balances to achieve a balanced budget;
- Keeping council tax at affordable levels;
- Deploying our limited resources towards those activities which contribute most to improved outcomes for local people (delivering key outcomes through the local area agreement (LAA) and the Shaping Solihull programme);
- Delivering efficiency savings of at least 5% year-on-year.

The ‘National Context’, on page 4, outlines the very difficult national financial circumstances that will exist for the foreseeable future. The expectations for the Council to plan for a balanced medium term financial position will be severely hampered by resource constraints that will be imposed on the whole public sector. This national position will be compounded by expectations locally of relatively low levels of council tax increases and the particular financial constraints facing Solihull, as described in ‘Local Context’, on pages 5-9.

The medium term revenue position is outlined on pages 10-19. The Council continues to strive to achieve greater value for money across its services and the achievement of savings over the plan period will continue to be a key component of our financial strategy. Our ambitious Shaping Solihull programme is the key mechanism for identifying these savings and delivering the more efficient and effective services we need in the light of current funding challenges.

FOREWORD

The table below summarises the projected revenue position over the medium term.

| | 2010/11 £m | 2011/12 £m | 2012/13 £m |
|--|----------------|----------------|----------------|
| Base budget | 144.936 | 148.210 | 151.323 |
| Funding commitments | 16.848 | 10.223 | 7.436 |
| Efficiency savings – agreed prior to 2010/11 | 0.298 | (0.190) | 0.300 |
| Efficiency savings – agreed in 2010/11 | (12.398) | (2.456) | (0.596) |
| Savings required from future budget actions | 0 | (4.339) | (4.748) |
| Use of reserves | (1.474) | (0.125) | 0 |
| Indicative budget | 148.210 | 151.323 | 153.715 |
| Funding | 148.210 | 151.323 | 153.715 |
| Assumed council tax increase | 2.25% | 2.50% | 2.50% |

As part of the budget setting process for 2010/11, we have consulted with local people to ensure we are continuing to focus on the issues they feel are important. Through the Citizens' Panel in October 2009, residents confirmed that we are still focusing on the right things. In addition, when asked if we do the best we can with the money available, over 80% of people who expressed an opinion agreed.

The council tax increase for 2010/11 is 2.25%, which equates to £25.78 for a Band D property or less than 50 pence a week. Our continuing poor financial settlements from government mean that we have had to increase council tax to maintain the high standards of service that we currently provide but we have worked hard to identify over £12m of savings in order to keep the council tax as low as possible.

The summary medium term capital position is outlined in 'Capital Budget', on pages 27-28. Notwithstanding the significant investment that will be delivered through capital projects, the projected programme recognises the reducing capital resources and the need to respond to this position.

We intend to increase the extent to which we match resources to priorities on a medium term basis and ensure investment and disinvestment decisions are driven by our policies and the needs of the borough. The strategy recognises the need to achieve value for money in service delivery through the Shaping Solihull programme and allows for ways of delivering services that may be a departure from traditional models. Achieving this as part of a modernising and transformation agenda is key to raising the quality of the services that we provide for the borough.

FOREWORD

Our medium term financial strategy and our budget for 2010/11 reflect the steps that we have taken to ensure that we are well placed to respond to the storm clouds gathering on the public finance horizon. The Council's approach will be to embrace the significant opportunities that are arising to change the way in which local services can be delivered and this will serve as a springboard for achieving the borough's aspirations.

A handwritten signature in black ink, appearing to read 'Ken Meeson'.

Councillor Ken Meeson
Leader of the Council

Our Vision

Solihull in 2018:
where everyone has an
equal chance to be healthier,
happier, safer and prosperous.

Outcomes

- Building healthier communities.
- Building safer communities.
- Building stronger communities.
- Building prosperous communities.
- A brighter future for our children and young people.
- Good value services.



Everything we do
Everyone's business

Medium Term Financial Strategy

The economy

The international and national economic situation has been very volatile over the past year, arising initially from a collapse of confidence in the banking and financial sectors and resulting ultimately in worldwide recession. In this period the UK economy has suffered negative growth for the first time since 1992, leading to UK interest rates being set at unprecedented low levels. Expectations are that, as the economy emerges from recession, recovery is likely to be slow. Inflation has fallen significantly over this period and is expected to continue to be relatively low over the medium term.

Local government funding

The Government's Comprehensive Spending Review (CSR) 2007 delivered a three-year funding settlement for local government that marked a significant slow down in investment and our current medium term financial plans incorporate the position notified to us within this settlement to the end of 2010/11.

Given the current economic circumstances and the slowdown already experienced in funding for local government, it is difficult to predict the likely level of government support in 2011/12. Our current planning assumption is that our grant will be frozen in cash terms in 2011/12 and beyond. For Solihull this means that we need to be focused on making the most of what we already have, as increased external investment is unlikely.

Efficiency agenda

The Government's clear message is that local authorities must deliver year-on-year efficiency savings, set at 4.19% for 2010/11, and this is reflected in the funding available to local government. In the longer term it is anticipated that the pressures on the public sector finances will be such that these efficiency targets become increasingly challenging.

Total Place

Total Place is a new national initiative that looks at how a 'whole area' approach to public services can lead to better services at less cost. It seeks to identify and avoid overlap and duplication between organisations – delivering a step change in both service improvement and efficiency at the local level, as well as across Whitehall.

Solihull, working with Coventry and Warwickshire, is involved in one of the 13 pilots participating in the initiative. The Coventry, Solihull and Warwickshire (CSW) pilot focuses on improving outcomes for children and young people by reshaping and developing services that help meet their needs. The objectives of the pilot include helping young people to benefit from education, training or employment opportunities, supporting children exposed to bullying behaviour and improving the health of children and young people across the sub-region.

The focus on delivering efficiencies through streamlining service provision at a sub-regional level means that Total Place is expected to be a key theme for service delivery and financial planning in the medium term.

Demography

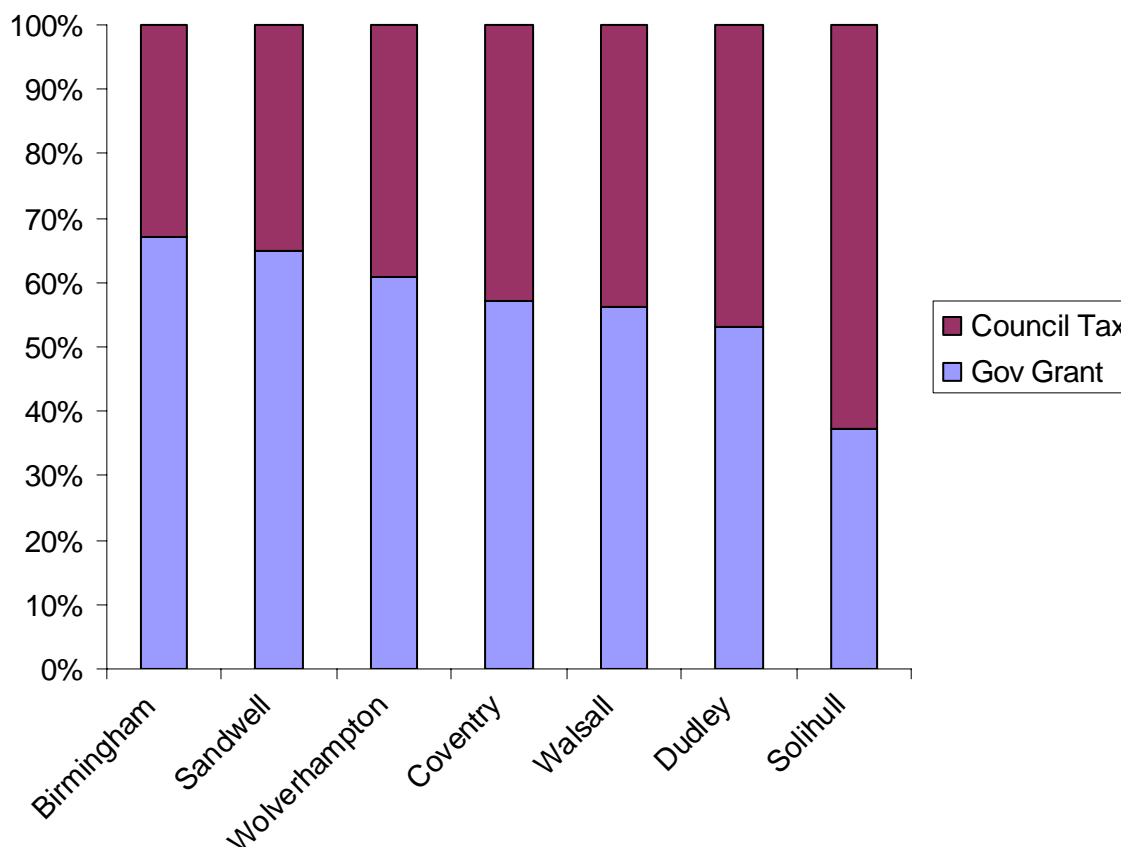
The Council serves a population of 203,600 and an area of nearly 18,000 hectares, of which approximately two-thirds is rural. The population has a higher than average rate of older people (a figure which is projected to increase) and although the area consists of people of mainly white ethnic origin, the ethnic make up of the borough is changing with latest population estimates indicating 9.4% of the population is from Black and Ethnic Minority communities: more than double the rate recorded in the 2001 Census.

Although Solihull residents have a generally high quality of life, there are notable inequalities within the borough’s population, primarily between the north and parts of the south. While the borough as a whole has low rates of unemployment and high levels of income, there are three wards in the north which are among the 10% most deprived wards in England. As a result, the Sustainable Community Strategy identifies closing the inequality gap between the north and south of the borough (for example in relation to education and health outcomes) as a significant challenge and the key priority for local public services.

Funding constraints

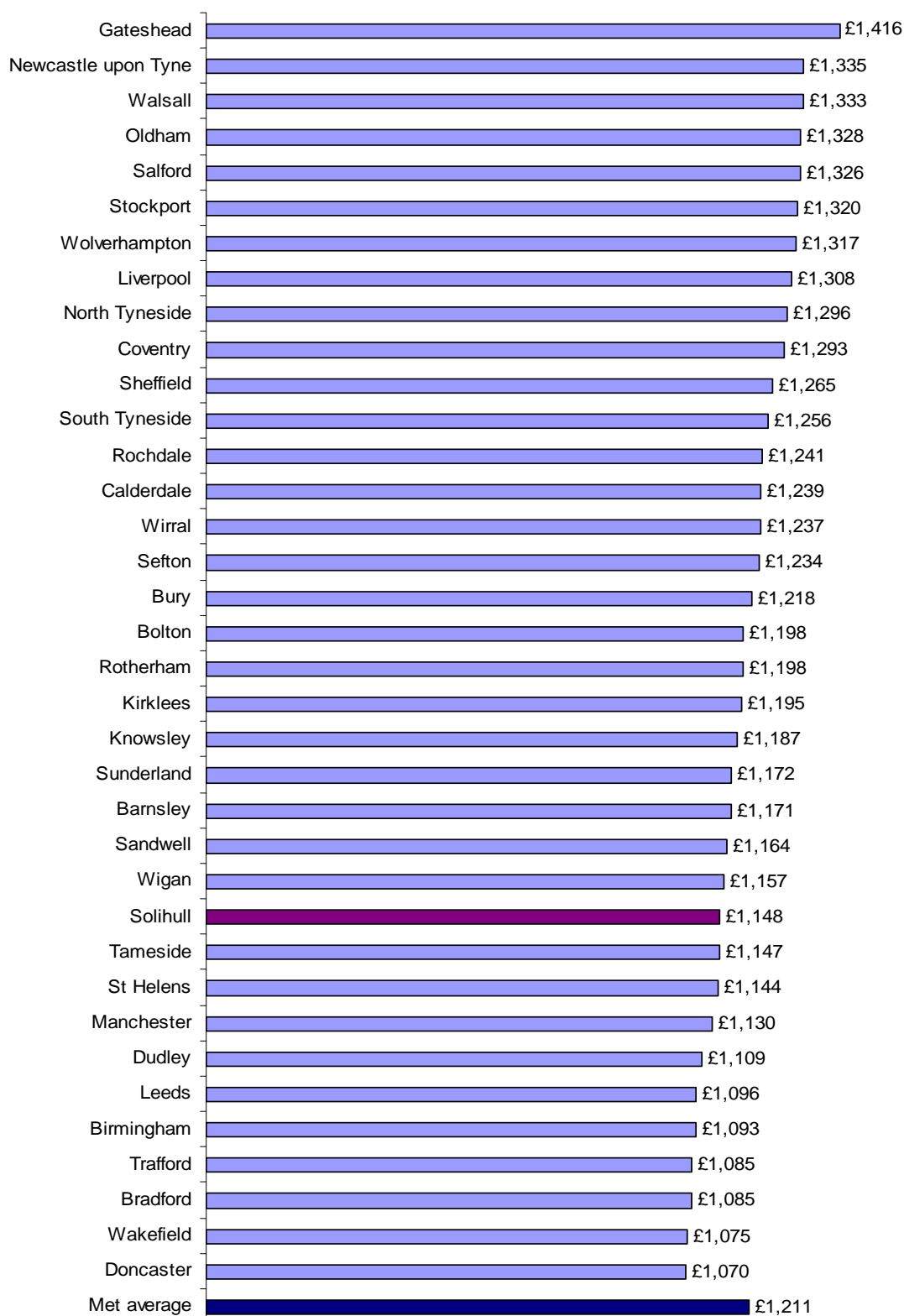
The Council's medium term financial strategy is shaped by the particular financial circumstances facing Solihull. Over 60% of funding for our net budget comes from the council tax (compared to the national average of 42%) and each 1% rise in council tax raises £0.913m in additional revenue to support the Council's budget. The remainder of the funding for our net budget (nearly 40%) is provided through grant from central government and our expectation is that this proportion of funding will continue to decline in real terms in future years.

Government grant and council tax funding 2009/10



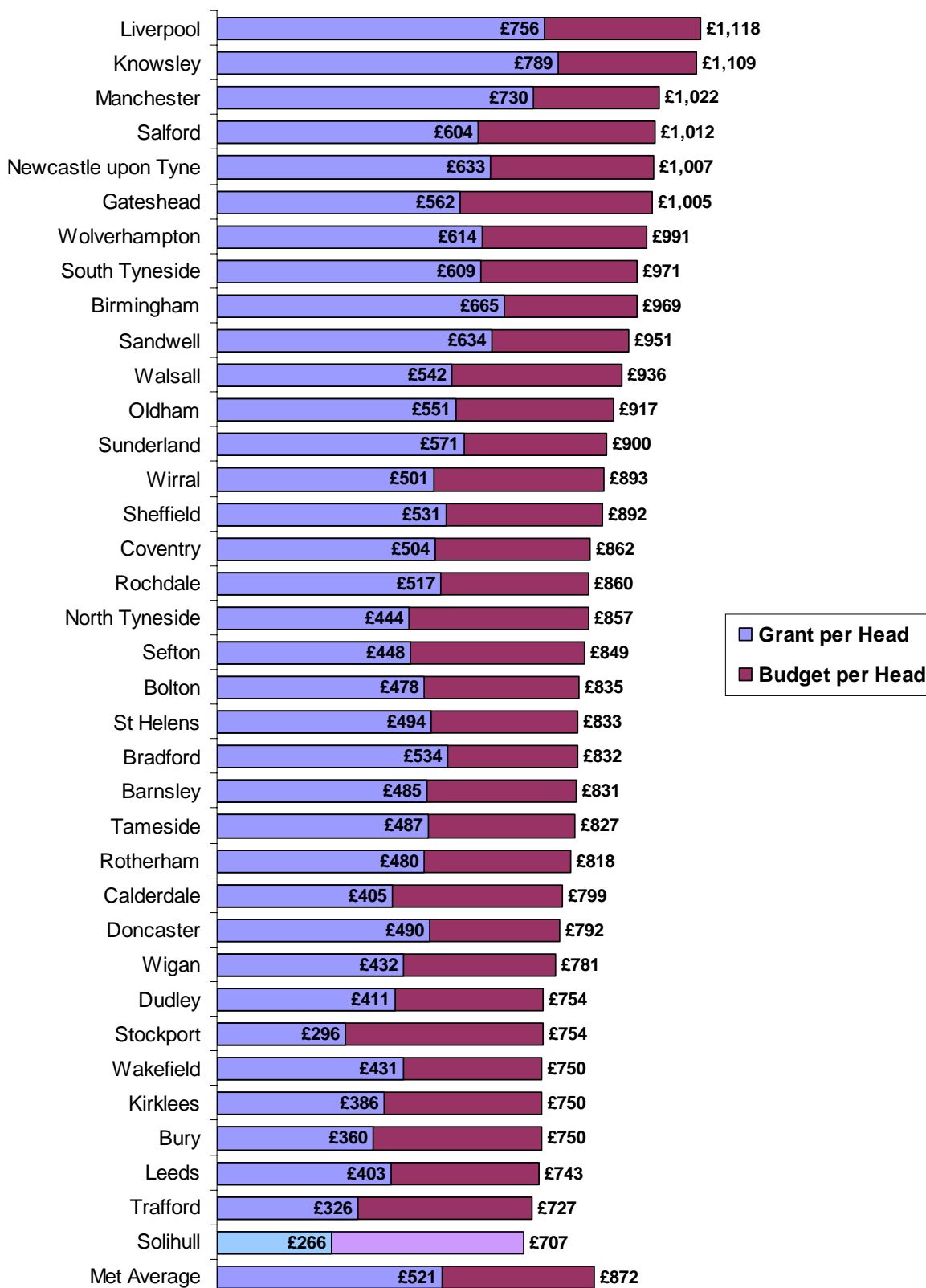
Clearly the final decisions to set council tax increases impact upon the borough's level of Band D council tax – the measure that the Government usually uses to compare councils nationally – relative to other local authorities. Solihull continues to set one of the lowest Band D council taxes of all metropolitan districts – 11th lowest out of 36 in 2009/10. Our aspiration is to increase our efficiency and reduce our costs so that our council tax levels remain below the metropolitan district average.

Band D Metropolitan District Council Taxes 2009/10 (excluding Police, Fire and Parishes)



The twin factors of relatively low levels of deprivation and a relatively high taxbase combine in the Government’s funding formulae to provide Solihull with the lowest level of grant per head of any metropolitan district authority. As illustrated in the chart below, this position along with historically low levels of council tax keeps the Council’s net budgeted spend per head of population to the lowest of all metropolitan districts.

2009/10 Budget per Head including Government Grant per Head of Population
(source: DCLG Settlement Data)



Value for money and efficiency

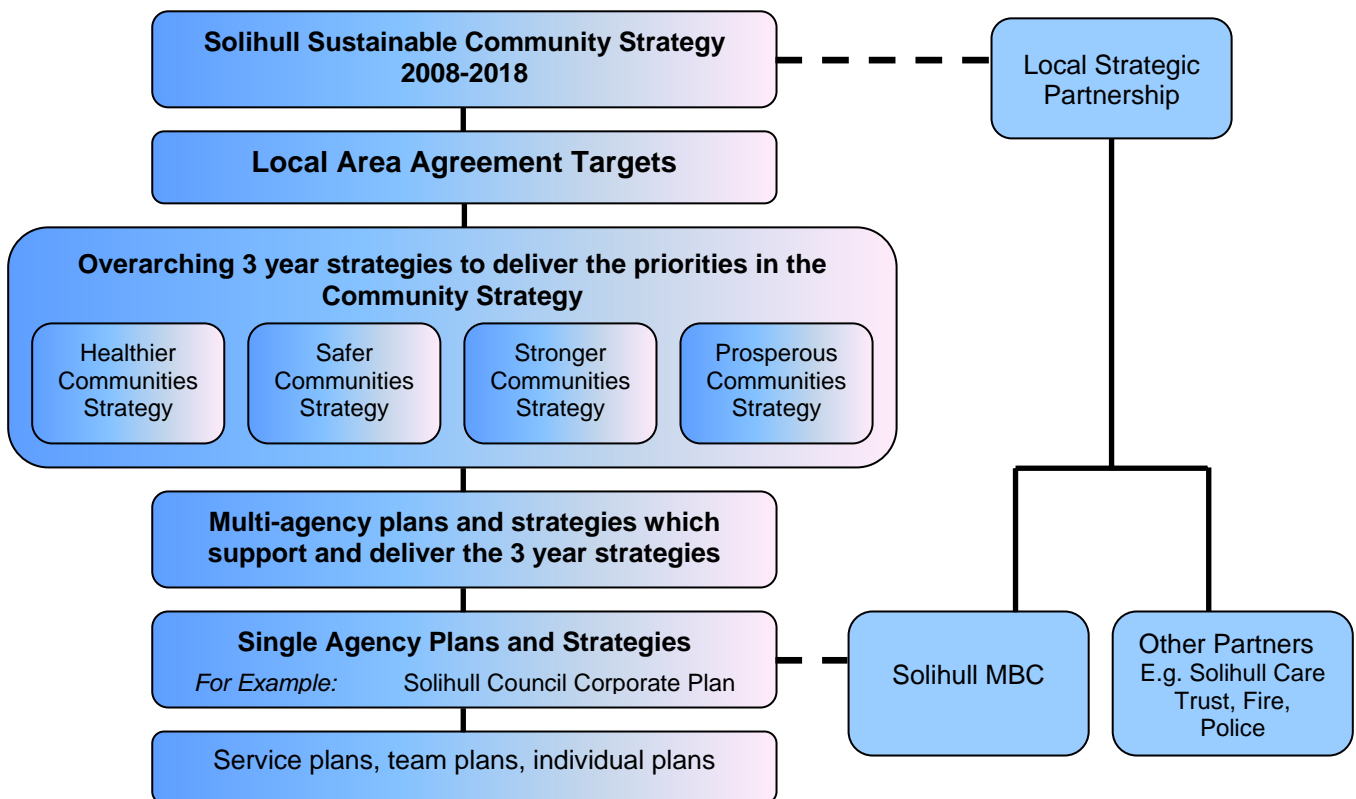
This means that the focus of the Council's efficiency savings programme is on making the most of our limited resources by undertaking those actions which will deliver real reductions for our taxpayers – however, it is important that we continue to strive to improve value for money across all aspects of our activities.

Our achievements in improving value for money have been recognised by the Audit Commission, which awarded us a score of 3 out of 4 for our use of resources in the recent Comprehensive Area Assessment. The judgement referred to our “sound understanding of service costs and performance levels and a good track record of managing budgets and achieving efficiencies”, which we will need to continue to build upon over the medium term.

Local strategic partnership

The Council is part of the Solihull Partnership, a local strategic partnership (LSP) which brings together public, private, voluntary and community organisations in the borough to work together to improve the lives of people in Solihull.

The ambitions and objectives of the Solihull Partnership are set out in the Sustainable Community Strategy (SCS), which builds on analysis of the current position in the borough, expected future trends and the existing priorities and strategies agreed with central government, local partner organisations and local people and communities. The local priorities outlined in the SCS are reflected in the 32 improvement targets that the Partnership has signed up to in its local area agreement (LAA) with central government. The relationship between the Partnership, the SCS and the Council is illustrated in the diagram below.



In 2008/09, Area Based Grant (ABG) was introduced as a non ring-fenced addition to the Council's formula grant and a three year indication of grant allocations was provided by the Government. Allocations to services in Solihull for 2010/11 will be unchanged from 2009/10. From 2011/12, the Government will no longer provide the breakdown of ABG which has been used by the Council and its partners as the basis of allocation to service areas. As a result, ABG allocations will be challenged to ensure they are allocated in the best way to meet the current priorities of the Solihull Partnership. There will be a focus on delivering outcomes more effectively and efficiently, together with a clear message to decommission those services which are no longer a priority of the Partnership.

Each of the bodies involved in the Partnership have their own organisational plans which set out how they intend to contribute towards the objectives in the SCS. The Council Plan (http://www.solihull.gov.uk/democracy/councilpriorities_3451.htm) includes six customer outcomes and priorities, which will help us achieve these objectives. The diagram shown below is an extract taken from the revised Council Strategy Map showing a summarised version of these customer outcomes and priorities. The Council's medium term financial strategy supports the Council in its achievement of these outcomes.

Extract from Council Strategy Map (Customer Outcomes and Priorities)



Budget pressures

The Council is faced with a range of significant pressures on our finances over the medium term. This is the result of several factors:

- Demand for our services (for instance due to demographic pressures in social care) increasing beyond the available supply;
- Changing expectations from government or the public of the level of service (for example in response to high-profile child protection cases);
- New government initiatives or legislation which can increase pressure on existing budgets;
- Downward pressure on the funding available to us through government grant, council tax and fees and charges.

As outlined in the sections above on the national and local context to the budget, the financial pressures the Council faces are unlikely to go away. Over the medium term, key strategies to address these issues need to be implemented in respect of our “big project” items:

- Transforming children’s services;
- Transforming adult social care;
- North Solihull Regeneration;
- New ways of working;
- Lean thinking (through the Shaping Solihull programme).

Budget savings

The combination of significant ongoing service pressures, limited funding from central government and the economic conditions mean that we need to make substantial savings to be able to continue to deliver our priorities and maintain and improve our performance over the medium term.

The Shaping Solihull programme gives us the mechanisms for achieving a more robust medium term approach. The Aligning Resources to Outcomes aspect of the programme breaks down into five savings workstreams which are outlined below.

- Transformation – savings achieved through reviewing and redesigning services to streamline processes and reduce costs.
- Smarter procurement – savings achieved through the review and renegotiation of contracts and joint working with other authorities on procurement.
- Fees and charges – growing new income opportunities or increasing our current range of fees and charges.
- Carbon management – where savings from projects which contribute towards our carbon reduction target, e.g. by reducing energy usage or running costs, can be captured and extracted, then they will contribute to the budget savings target.
- Service spending reductions – these are the savings which have traditionally been identified to meet the annual budget requirement, e.g. managing vacancies, reducing budgets for certain supplies or services and small-scale restructures.

It is anticipated that, in the medium term, the proportion of our budget savings met through service spending reductions will continue to fall as our transformation programme is further developed.

Over the medium term, the Council will need to sustain and build upon the success that it has already achieved to deliver its priorities through shared services and partnership working. A significant proportion of the Council's activities are now partly or wholly delivered through partner organisations, including adult social services, leisure centre provision, waste, environment services, highway maintenance and social housing. Future funding pressures and the need for us to continue to improve the value for money of our services will require us to transform further areas of service delivery. We will collaborate with other public sector partners - locally, sub-regionally or regionally as appropriate - and increase the degree to which we work with the voluntary and community sector to deliver services and explore commercial partnering arrangements where we think these offer the best way forward.

Reserves

The current level of reserves (forecast to be £4.705m as at 31 March 2011) is adequate for current known liabilities and approved policy commitments facing the Council. This includes the use of an additional £1m of working balances to offset the pressure on children's placements in 2010/11. As summarised in the table below, we expect this balance to stay broadly within the range of £4.5m to £4.7m over the medium term and our view is that this is appropriate to sustain our current plans.

| Working balances | 2010/11 £'000 | 2011/12 £'000 | 2012/13 £'000 |
|-------------------------|--------------------------|--------------------------|--------------------------|
| Opening balance | 6,179 | 4,705 | 4,580 |
| (Allocations)/Additions | (1,474) | (125) | 0 |
| Closing balance | 4,705 | 4,580 | 4,580 |

We will seek to optimise the use of our reserve balances in delivering the Council's priorities, making decisions on a corporate basis and observing opportunities to maintain an appropriate balance between short term expenditure and long term investment.

Key Assumptions in the Medium Term Financial Strategy

The three year plan shown overleaf uses the following financial planning assumptions, which continue to be refined as more accurate information becomes available:

General:

- The maintenance of a balanced budget over the medium term;
- Adoption of a more strategic approach to budget setting and financial planning.

Corporate funding commitments:

- The West Midlands Integrated Transport Authority (WMITA) levy is based on their plans for 2010/11 to 2012/13 (with the element of the increase relating to concessionary travel in 2011/12 offset by government grant);
- The Environment Agency levy is assumed to increase by £0.015m each year;
- We continue to see an impact upon the rates of interest that we receive on investment balances in the short term. However, the plan assumes some improvement in interest rates and therefore in investment income in both 2011/12 and 2012/13.

Inflation and funding pressures:

- No increase in pay budgets in 2010/11, with pay then assumed to rise by no more than 1.0% in later years, costs relating to specific contracts to rise by no more than 2.7% for 2010/11 and 2.5% thereafter, and a freeze on inflation for standard expenditure budgets;
- An increase of 1.0% in national insurance contributions has been built in from 2011/12;
- Contributions to the Local Government Pension Scheme increase by 0.75% each year, with a further allowance in 2010/11 as part of a strategy to move towards a fully-funded scheme;
- No inflation for income budgets has been built in for 2010/11 (reflecting the current down turn), but opportunities to increase income will be expected to be considered as part of the delivery of cashable savings – income inflation of 2.5% is assumed thereafter;
- Funding for specific areas of growth is provided in line with our customer outcomes and recognition of some significant pressures arising from economic and specific local circumstances.

Efficiency savings:

- The continued achievement of significant cashable savings (in the order of £4 million - £5 million per annum, net of pressures) in order to balance this medium term position in line with 5% efficiency targets.

Resources:

- A financial planning figure for council tax increases of 2.25% for 2010/11 and 2.5% over the medium term;
- Council tax collection rates maintained at 99%;
- A stable and unchanged taxbase;
- 2010/11 formula grant figures indicated by CSR 2007 and a cash freeze in formula grant from 2011/12.

The table below shows how the 2010/11 budget was built up and outlines the indicative budgets for 2011/12 and 2012/13. The references in the left hand column refer to pages where more detailed information can be found.

| Pg | | 2010/11 £'000 | 2011/12 £'000 | 2012/13 £'000 |
|----|--|------------------|------------------|------------------|
| | BASE BUDGET | 144,936 | 148,210 | 151,323 |
| | Add back use of reserves utilised in previous year | 890 | 1,474 | 125 |
| | CORPORATE COMMITMENTS | | | |
| 24 | Levies | 187 | 1,248 | 240 |
| | Treasury management | 778 | 718 | 650 |
| | Landfill tax | 120 | 120 | 120 |
| | Headroom | 172 | 0 | 0 |
| | PRESSURES AND POLICY DEVELOPMENTS | | | |
| 14 | Investment in budget priorities approved prior to 2010/11 | 644 | 775 | 400 |
| 14 | Impact of pressures approved prior to 2010/11 | 506 | 61 | (92) |
| | Children's Services | 4,150 | (500) | 0 |
| | Adult Social Care | 6,428 | 0 | 0 |
| | Transport and Highways | 68 | 0 | 0 |
| | Incremental pressure | 638 | 600 | 563 |
| | New budget pressures (including adult social care) | 0 | 2,500 | 2,500 |
| | Inflation | 2,290 | 3,115 | 3,241 |
| | Additional national insurance contributions | 0 | 415 | 0 |
| | Income Inflation | 0 | (303) | (311) |
| | New arrangements (services transferred into/out of local authority responsibility) | (23) | 0 | 0 |
| | EFFICIENCY SAVINGS | | | |
| 15 | Efficiency savings agreed prior to 2010/11 | 298 | (190) | 300 |
| 16 | New portfolio savings | (11,616) | (1,856) | (33) |
| 19 | Cross-cutting savings | (638) | (600) | (563) |
| 19 | Shaping Solihull 'Pipeline' savings | (144) | 0 | 0 |
| | SAVINGS REQUIRED FROM FUTURE BUDGET ACTIONS: | | (4,339) | (4,748) |
| | Shaping Solihull Improvement Programme | | | |
| | Deployment of resources against key priorities | | | |
| | Transforming Children's Services | | | |
| | Transforming adult social care | | | |
| | North Solihull Regeneration | | | |
| | New ways of working | | | |
| | Lean Thinking | | | |
| | USE OF RESERVES | | | |
| | Contribution from working balances | (474) | (125) | 0 |
| | Contribution to Children's Placements pressure | (1,000) | 0 | 0 |
| | NET BUDGET REQUIREMENT | 148,210 | 151,323 | 153,715 |
| | RESOURCES | | | |
| | Formula grant | (54,643) | (54,643) | (54,643) |
| | Concessionary travel grant adjustment | | (1,015) | (1,015) |
| | Council tax | (93,332) | (95,665) | (98,057) |
| | Collection fund surplus | (235) | 0 | 0 |
| | TOTAL RESOURCES | 148,210 | 151,323 | 153,715 |
| | ASSUMED COUNCIL TAX INCREASE (SMBC) | 2.25% | 2.50% | 2.50% |
| 25 | Police and fire precepts | 11,711 | | |
| 26 | Parish precepts | 1,297 | | |

Investment in budget priorities approved prior to 2010/11

The Council's priorities continue to receive additional support in line with the medium term financial strategy, and subject to the target outcomes being delivered. Additional revenue funding will be invested for 2010/11 through to 2012/13 in the following projects.

| | 2010/11 | 2011/12 | 2012/13 |
|---|------------|------------|------------|
| | £'000 | £'000 | £'000 |
| Asset management – additional funding to support whole life costing of assets | 100 | 100 | 100 |
| Information technology – upgrading key systems to enable us to provide 24/7 access to our customers and improve communication | 200 | 200 | 0 |
| Disabled facilities grant (DFG) – increase in funding required to meet demand and increase speed of approval for vulnerable people | 44 | 0 | 0 |
| Regeneration initiatives – to support regeneration initiatives across the borough | 100 | 100 | 100 |
| Waste disposal – to support the procurement of waste disposal facility contract | 200 | 200 | 200 |
| North Solihull – to progress development of new village centre through take-up of office space | 0 | 175 | 0 |
| Total | 644 | 775 | 400 |

Impact of pressures approved prior to 2010/11

A number of decisions taken as part of the 2008/09 and 2009/10 budgets had ongoing effects in future years and these are captured in the medium term financial strategy and summarised below.

| | 2010/11 | 2011/12 | 2012/13 |
|---|------------|-----------|-------------|
| | £'000 | £'000 | £'000 |
| Building/development control income – phased return to original target | (150) | (50) | (50) |
| Disabled facilities grant – additional funding to rebuild base budget | 150 | 150 | 0 |
| Disabled facilities grant – to support additional prudential borrowing | 46 | 0 | 0 |
| Care Matters – to reflect new statutory requirements (partially offset by grant) | 179 | 184 | 0 |
| Youth Service – additional support | 50 | 0 | 0 |
| Treasury management - loss of investment income | 220 | 0 | 0 |
| Home care income - phased introduction from 08/09 | (150) | 0 | 0 |
| Birmingham Airport dividends – forecast impact of dividend proposals | 44 | (49) | (92) |
| Land Sales - loss of income from rental properties | 50 | 50 | 50 |
| Solihull Partnership – temporary funding for Partnership Commissioning Team | 67 | (224) | 0 |
| Total | 506 | 61 | (92) |

Efficiency savings agreed prior to 2010/11

A number of savings approved as part of the 2009/10 budget had ongoing effects in future years and these are captured in the medium term financial strategy and summarised below.

| | 2010/11 | 2011/12 | 2012/13 |
|--|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 |
| Waste service – full year effect of savings within Strategic Environment Contract | (117) | 0 | 0 |
| Election saving - one-off saving for 2009/10 added back | 110 | 0 | 0 |
| Empty homes administration costs - pressure reduced | (15) | 0 | 0 |
| Single person discount – adjustment to reflect impact on taxbase from 2010/11 onwards | 380 | (190) | 0 |
| Streetlighting – full year effect of revised column replacement programme | (60) | 0 | 300 |
| Total | 298 | (190) | 300 |

Efficiency savings approved for 2010/11 with impact through to 2012/13

| Title | 2010/11 | 2011/12 | 2012/13 |
|--|----------------|----------|----------|
| | £'000 | £'000 | £'000 |
| CHILDREN AND YOUNG PEOPLE | | | |
| Partnerships budget – base budget saving from payments to external care providers | (20) | | |
| Partnerships budget - targeted efficiency saving of 3% from payments to external care providers - | (10) | | |
| Child and Adolescent Mental Health Services (CAMHS) - Review multiple contracts with Care Trust for efficiencies. | (25) | | |
| Reduction in council matched funding for Care Matters. | (416) | | |
| Music Service – efficiencies from joint working | (100) | | |
| Reduction in matched funding for Primary/Secondary strategy | (50) | | |
| Education Welfare Service – delete vacant post | (23) | | |
| Education Psychology Service - delete vacant post | (23) | | |
| Research and Policy - delete vacant post | (21) | | |
| Additional income target at Sans Souci | (20) | | |
| Freezing/deleting other education posts | (60) | | |
| Withdraw part/all of central lettings subsidy | (14) | | |
| Withdrawal of the £50k budget growth in the 3 year plan for 10/11 | (50) | | |
| Youth Service - withdrawal of services and/or re-assessment of the Youth Service plan. | (29) | | |
| Targeted 1% efficiency from review of working relationships between the Youth Service, YOT and the newly returned Connexions service | (40) | | |
| Evolution Project from Dedicated Schools Grant (DSG) | (110) | | |
| Review of all School Development Grant activity and unallocated element of budget. | (145) | | |
| Maximisation of Extended Services Grant | (163) | | |
| Use of specific grants to fund activities previously funded from School Development Grant and core budgets. | (68) | | |
| Use of growth in major grants to directly fund activities, including cost recovery and review of family support | (124) | | |
| | (1,511) | 0 | 0 |
| COMMUNITY SERVICES | | | |
| Reduce the opening hours of six full-time libraries (Castle Bromwich, Dickens Heath, Hobs Moat, Kingshurst, Knowle, Olton) | (95) | | |
| Schools Library Service | (58) | | |
| Review the number of Library Managers | (27) | | |
| Procurement saving relating to keyholding services | (10) | | |
| Waste disposal-reduction in base budget | (300) | | |

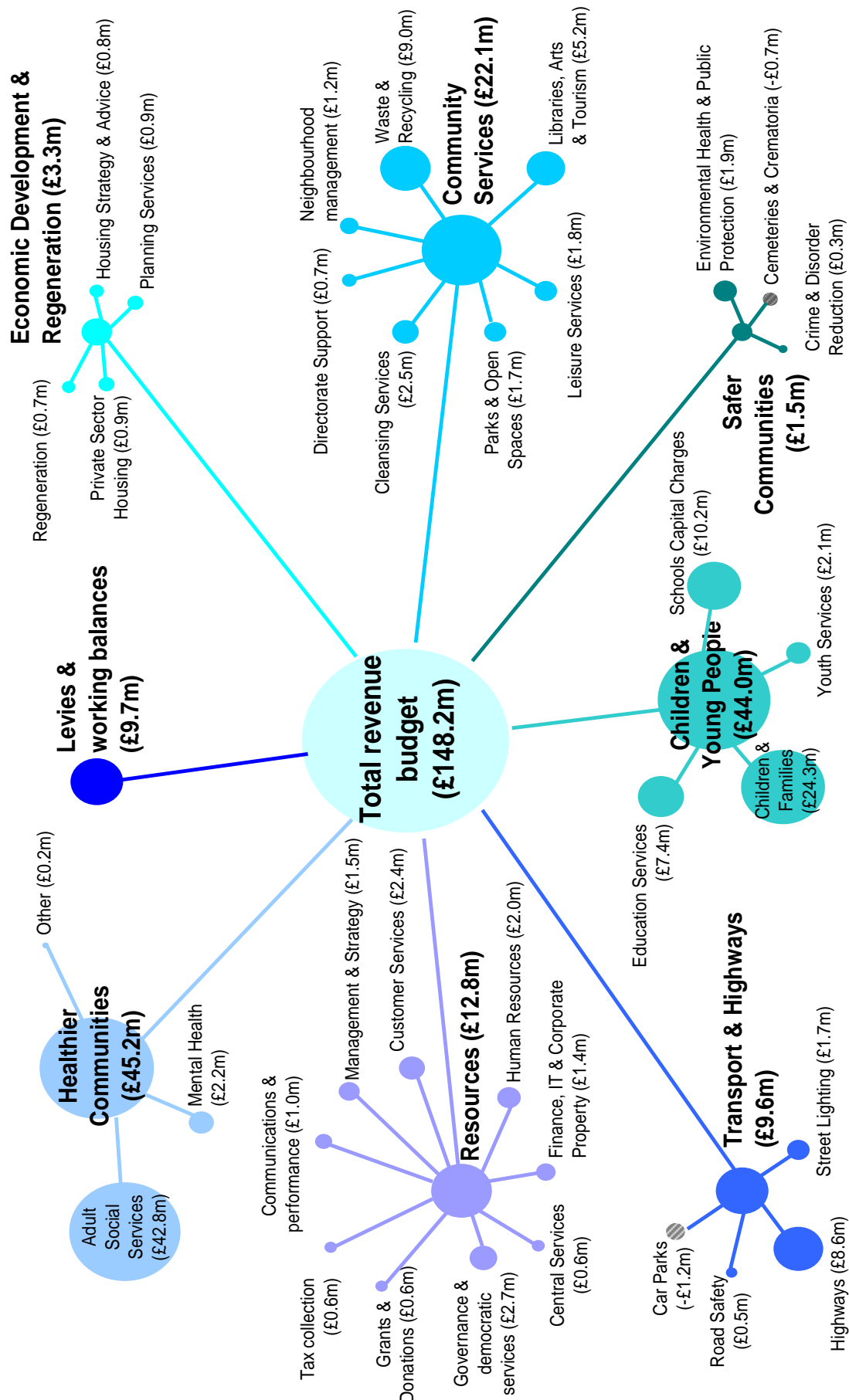
| Title | 2010/11 | 2011/12 | 2012/13 |
|---|----------------|----------------|----------|
| | £'000 | £'000 | £'000 |
| Revised charges for bulky waste collection and new chargeable services for green waste (additional green bin and winter collection service) | (13) | 2 | |
| Delay replacement of litter/recycling bins | (30) | 30 | |
| Graffiti - reduction in service provision | (5) | | |
| Removal of all bedding from Parks and Open Spaces | (22) | | |
| Clopton Crescent - removal of cleansing budget | (3) | | |
| Procurement of Forestry Contract | (10) | | |
| Reduction on materials for ECC scheme | (5) | | |
| Environmental Improvement Fund-reduction in service | (6) | | |
| Leisure Services - reduction in supplies and services | (3) | | |
| Other Arts & Tourism savings | (8) | | |
| | (595) | 32 | 0 |
| ECONOMIC DEVELOPMENT AND REGENERATION | | | |
| Rationalisation of administrative functions within Planning & Building Control. | (49) | | |
| Urban Design service brought in house | (15) | | |
| Charging for pre-application advice | (33) | | |
| Lean Review with Care Trust and SCH to establish a Home Improvement Agency | (40) | | |
| Savings from lean review of adaptations – minor works contract | (26) | | |
| Savings from lean review of adaptations – procurement | (13) | | |
| The service area includes the client support of SCH service delivery. | (10) | | |
| Reduction in concessionary lettings | (4) | | |
| | (190) | 0 | 0 |
| HEALTHIER COMMUNITIES | | | |
| Review mix of service provision - homecare services | (243) | (243) | |
| Use of procurement expertise to mitigate above-inflationary increases | (470) | | |
| Maximise use of existing block contracts | (200) | | |
| Review of day services to non-assessed people. | (200) | | |
| Review of in-house residential care for older people | (231) | (230) | |
| Extra Care – full utilisation of existing places | (150) | | |
| Modernisation of domiciliary care | (278) | (467) | |
| Learning disabilities reprovision | (200) | | |
| Recurring impact of provider savings identified as part of Cost Improvement Programme | (117) | | |
| Grant slippage | (200) | 200 | |
| Supporting People disinvestment | (1,000) | | |
| Day care disinvestment | (525) | (600) | |
| Reablement services | (782) | (786) | |
| Modernisation of residential care | (6) | (433) | |
| Independent living | 50 | (586) | |
| | (4,552) | (3,145) | 0 |

| Title | 2010/11 | 2011/12 | 2012/13 |
|--|----------------|--------------|-------------|
| | £'000 | £'000 | £'000 |
| RESOURCES | | | |
| PC Procurement | (80) | | |
| Target to underspend by 2% on ICT non-staffing budgets | (42) | | |
| Reduce number of staff who have more than 1 PC | (10) | | |
| Re-negotiate software licence | (20) | 20 | |
| Reduce Broadband cost | (10) | | |
| Property Services partnering contracts | (22) | | |
| Facilities budget reductions | (14) | | |
| Council House heating improvements | (13) | | |
| Council House electricity efficiency measures | (50) | | |
| Procurement saving relating to keyholding services | (3) | | |
| Financial Transformation Project | (124) | | |
| Registrars – new/increased fees and charges | (25) | (4) | (5) |
| HR Starters lean review | (9) | | |
| Recruitment Advertising lean review | (200) | | |
| Adaptations lean review | (20) | | |
| Post Service lean review | (18) | | |
| Reduced uses of external solicitors | (44) | | |
| HRE services to schools | (23) | | |
| Severance reserve - reduction in annual contributions | (450) | | |
| Severance - HRA contribution | (300) | | |
| Reduction in Local Government Association subscription | (12) | | |
| Governance Services income generation | (18) | | |
| Income & Awards reduced use of agency staff | (69) | | |
| Advertising and Sponsorship increased income | (10) | (31) | (28) |
| Council wide review of publications | (10) | | |
| Communications budget reductions | (3) | | |
| Legal Services Procurement | (7) | | |
| Legal Services non-staffing budgets | (4) | | |
| 2009/10 Procurement savings target | 138 | | |
| Agency Procurement | (113) | | |
| Introduction of Multi Functional Devices (MFDs) | (45) | | |
| Procurement shared service | (42) | | |
| Strategic Land contract review | (30) | | |
| Treasury Management - review of borrowing activity | (1,000) | | |
| Council tax – cease early payment discount | (70) | | |
| Release of reserves | (1,048) | 1,048 | |
| | (3,820) | 1,033 | (33) |
| SAFER COMMUNITIES | | | |
| Staffing savings following completion of restructure. | (43) | | |
| Full cost recovery target for licensing income | (50) | | |
| Review of Pest Control income | (5) | (2) | |
| Legal Fees | (20) | 20 | |
| Salary costs and administration support costs. | (15) | | |

| Title | 2010/11 | 2011/12 | 2012/13 |
|--|-----------------|----------------|--------------|
| | £'000 | £'000 | £'000 |
| New memorial scheme | (5) | | |
| Increase in burial and cremation fees | (115) | | |
| | (253) | 18 | 0 |
| TRANSPORT AND HIGHWAYS | | | |
| Road lining | (11) | | |
| Direction signs - non illuminated | (1) | | |
| Traffic surveys | (2) | | |
| Temporary signs - non illuminated - organisers now required to fund signing events | (3) | | |
| Traffic signal maintenance | (6) | | |
| Removal of all bedding from traffic islands | (21) | | |
| Removal of hanging baskets | (9) | | |
| Non replacement of planted trees | (10) | | |
| Removal of cut and collect service on grass cutting | (160) | | |
| Procurement of forestry contract | (10) | | |
| Bollards - illuminated | (18) | | |
| ANITA project-recovery of preliminary costs | (165) | 165 | |
| Bridge maintenance contract | (6) | | |
| Road scanning | (2) | | |
| Grit bins | (20) | | |
| Streetlighting electricity - reduction in unit cost | (102) | | |
| Streetlighting maintenance - structural testing regime | (20) | | |
| Street Lighting - delete post | (40) | | |
| Car Parks - reduction in maintenance | (41) | 41 | |
| Lease of Prince's Way car park to new tenant | (48) | | |
| | (695) | 206 | 0 |
| SUBTOTAL PORTFOLIO SAVINGS | (11,616) | (1,856) | (33) |
| CROSS-CUTTING | | | |
| Remove budget provision for employee increments | (638) | (600) | (563) |
| "Pipeline" savings from transformation programme | (144) | | |
| | (782) | (600) | (563) |
| TOTAL | (12,398) | (2,456) | (596) |

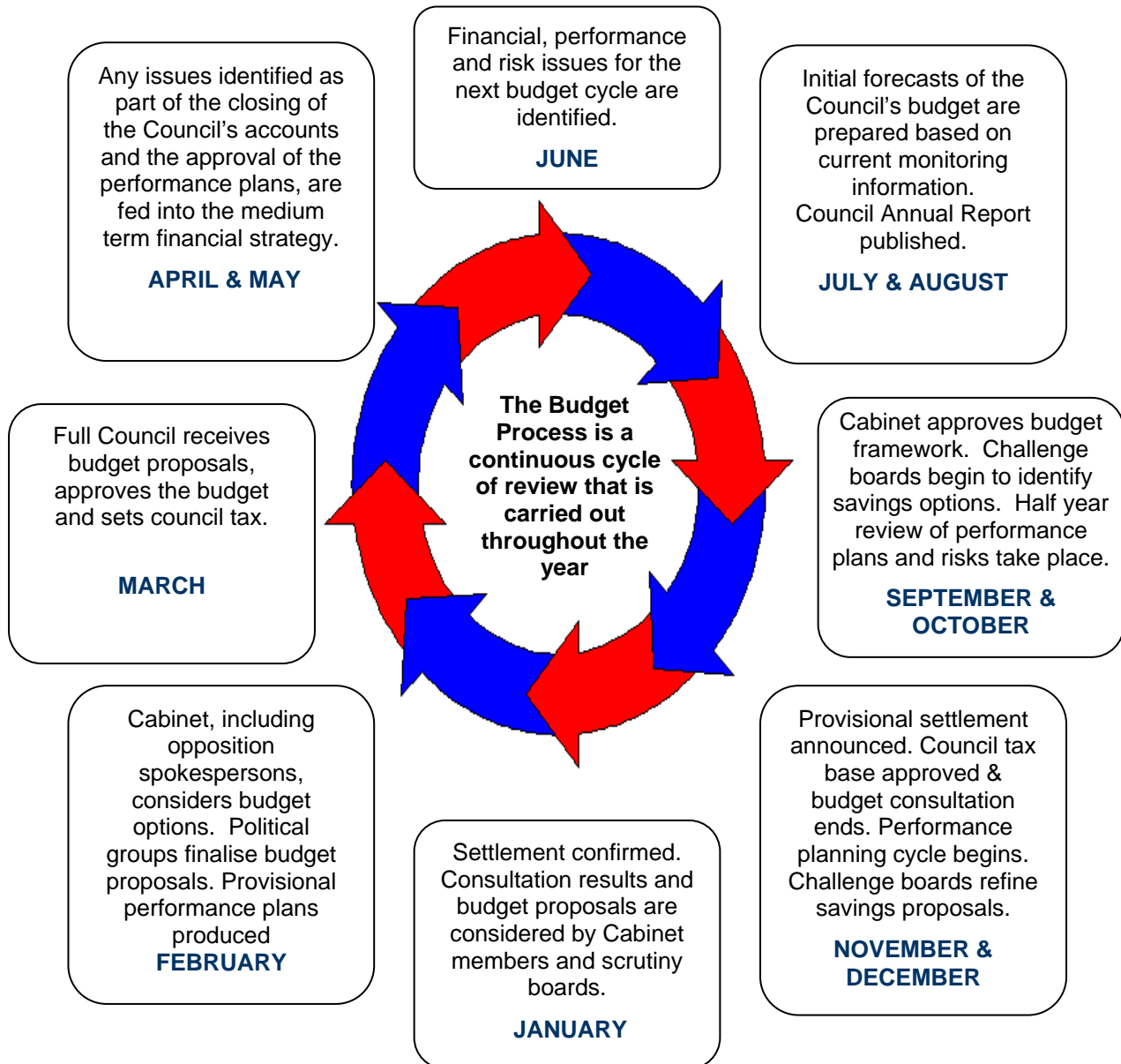
Revenue Budget 2010/11

The chart below illustrates how the budget will be split over the different services provided by the Council. Further details are shown on pages 29 to 35.



REVENUE BUDGET 2010/11

The annual budget process develops within a framework agreed by Cabinet in the autumn. It reflects members' attempts to balance priorities and emerging service pressures within the constraints of the funding available from the Government and council tax payers. This is a continuous process as can be seen from the diagram below.



The budget process is structured to encourage challenge and scrutiny by members and senior officers. Challenge boards held with portfolio holders, opposition spokespersons and scrutiny board representatives provide an opportunity for members to have a direct input into the earlier stages of the budget process – particularly into the initial identification, discussion and refinement of savings options. The budget proposals are then collated and reported to the Overview and Scrutiny Management Board (OSMB) and subsequently to Full Cabinet in February, before Full Council is asked to agree the budget and council tax in March.

REVENUE BUDGET 2010/11

Budget pressures 2010/11

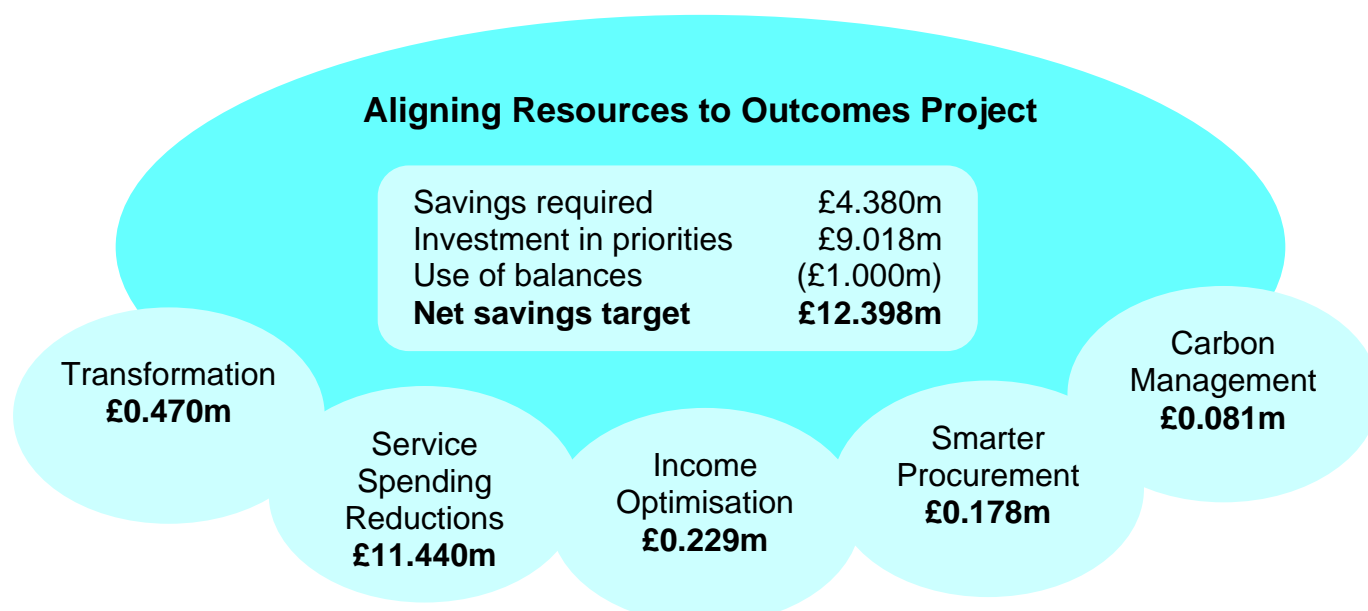
In addition to the ongoing budget pressures outlined at page 10, the consultation carried out with residents through the Citizens' Panel as part of the budget process indicated that residents are particularly concerned about crime and anti-social behaviour, adult social care, children's services and access to learning and employment opportunities.

During the 2010/11 budget process, a number of specific unfunded service pressures were identified, as summarised in the table below.

| Description of Pressure | 2010/11 £'000 |
|---|------------------|
| Children's placements | 3,500 |
| Children's Services section 17 expenditure - based on current level of spend | 350 |
| Reshaping Children's Social Work | 300 |
| Adult social care – projected overspend in respect of annual agreement with Solihull Care Trust | 4,500 |
| Adult social care – income targets not being achieved | 300 |
| New Roads and Streetworks Act (NRSWA) income shortfall | 68 |
| Total | 9,018 |

Budget savings 2010/11

The budget setting process for 2010/11 has again been particularly challenging. The diagram below shows the value of the savings identified within each of the five savings workstreams for 2010/11. Further details of the savings included within the 2010/11 budget are shown on pages 16 to 19.



REVENUE BUDGET 2010/11

Summary revenue budget 2010/11

The general fund budget for 2010/11 is £148.210m, which equates to a Band D council tax (excluding police, fire and parish precepts) of £1,173.72. This represents an increase of 2.25% on the 2009/10 level of council tax.

| | Spending £'000 | Band D Council Tax £ |
|---|-------------------|----------------------------|
| 1. The Council estimates that it will spend money on: | | |
| Community Services | 22,096 | 277.87 |
| Children and Young People | 44,046 | 553.91 |
| Economic Development and Regeneration | 3,311 | 41.64 |
| Healthier Communities | 45,188 | 568.28 |
| Resources (including Leader and General Purposes) | 12,760 | 160.47 |
| Safer Communities | 1,473 | 18.52 |
| Transport and Highways | 9,600 | 120.73 |
| 2. Levies payable by the Council | 11,124 | 139.89 |
| 3. Money has been taken from balances to pay for some of the spending | (1,388) | (17.46) |
| NET SPENDING | 148,210 | 1,863.85 |
| | Funding £'000 | Band D Council Tax £ |
| 4. External Government Grant | (54,643) | (687.18) |
| 5. Reduction made as a result of successful collection of council tax arrears | (235) | (2.95) |
| 6. Council tax for Solihull 2010/11 | (93,332) | (1,173.72) |
| NET FUNDING | (148,210) | (1,863.85) |

We also collect council tax on behalf of the West Midlands Police and Fire Authorities, the level of which is set independently and over which we have no control. For 2010/11 those precepts have been set at the Band D equivalent of £99.45 (+1.50%) and £47.83 (+1.98%) respectively, resulting in an overall Band D council tax for Solihull taxpayers of £1,321.00 and an overall increase of £28.18 (2.18%). Further details are provided on page 25.

Parish councils have also been established in a number of areas within the borough and we have a statutory duty to collect precepts on their behalf. Those areas with parish councils and their parish precept levels are detailed on page 26.

| | Funding £'000 | Band D Council Tax £ |
|--|------------------|----------------------------|
| Council tax for Solihull 2010/11 | 93,332 | 1,173.72 |
| Precepts on the Council: | | |
| West Midlands Police Authority | 7,908 | 99.45 |
| West Midlands Fire Authority | 3,803 | 47.83 |
| Council tax for 2010/11 including Police & Fire | 105,043 | 1,321.00 |

Two major levies are charged to the Council:

1. West Midlands Integrated Transport Authority

The net budget of the Integrated Transport Authority (ITA) is funded by a levy charged on the seven West Midlands districts pro rata to population.

The total amount of the ITA levy for 2010/11 is £140.718m. Solihull Council pays **£11.041m** based on an estimated population of 7.85% out of the total West Midlands population.

2. Environment Agency

The Environment Agency provides flood defences for the Severn Trent Region (including Bristol, part of Wales, Lincolnshire and as far north as East Riding of Yorkshire) and levies a total of £3.000m from local authorities. The levy is charged in relation to the council tax base of the authorities within the region. Solihull's council tax base for 2010/11 is 79,518 out of a total tax base for the region of 2,907,617 resulting in a Council contribution of **£0.082m** (2.74%) to the Agency.

The expenditure of the Agency consists of the following:

| | | £m |
|-------------|-------------------------------|--------------|
| | Capital Projects | 39.224 |
| | Maintenance Work | 20.555 |
| | Other Revenue Expenditure | 4.043 |
| <i>Less</i> | Government Grants | (55.861) |
| | Other Income | (2.136) |
| | Movement in balances | (2.825) |
| | Net Levy | 3.000 |
| | Solihull Share (2.74%) | 0.082 |

The amount of council tax paid by local residents is based on the value of the property they live in. Domestic properties fall into one of eight valuation bands, A to H. The amount of council tax paid by local residents is determined by the band their property is in.

| Band | No. of Band D Equivalent Dwellings | Band D Council Tax 2010/11 (excl Police and Fire) £ | Police £ | Fire £ | Band D Council Tax 2010/11 (incl Police and Fire) £ |
|--------------|---|--|---------------------|-------------------|--|
| A | 7,718 | 782.48 | 66.30 | 31.89 | 880.67 |
| B | 7,497 | 912.89 | 77.35 | 37.20 | 1,027.44 |
| C | 16,799 | 1,043.31 | 88.40 | 42.52 | 1,174.23 |
| D | 14,463 | 1,173.72 | 99.45 | 47.83 | 1,321.00 |
| E | 12,773 | 1,434.55 | 121.55 | 58.46 | 1,614.56 |
| F | 11,678 | 1,695.38 | 143.65 | 69.09 | 1,908.12 |
| G | 8,029 | 1,956.20 | 165.75 | 79.72 | 2,201.67 |
| H | 561 | 2,347.44 | 198.90 | 95.66 | 2,642.00 |
| Total | 79,518 | | | | |

Parish precepts are in addition to the basic Band D council tax for the Solihull area.

| 2009/10 | | Parish/Town Council | 2010/11 | | % Band D | % Precept |
|------------------|-----------------|------------------------|------------------|-----------------|-------------------------|-------------------------|
| Precept £ | Per Band D £ | | Precept £ | Per Band D £ | Increase/ (Decrease) | Increase/ (Decrease) |
| 92,847 | 31.24 | Balsall | 95,081 | 31.55 | 1.0 | 2.4 |
| 3,330 | 12.38 | Barston | 3,410 | 12.68 | 2.4 | 2.4 |
| 30,000 | 19.44 | Berkswell | 42,000 | 27.04 | 39.1 | 40.0 |
| 120,400 | 48.10 | Bickenhill | 122,808 | 49.12 | 2.1 | 2.0 |
| 214,988 | 52.14 | Castle Bromwich | 219,288 | 53.20 | 2.0 | 2.0 |
| 247,500 | 69.39 | Chelmsley Wood | 250,000 | 69.74 | 0.5 | 1.0 |
| 50,000 | 51.87 | Cheswick Green | 45,000 | 46.63 | (10.1) | (10.0) |
| 36,000 | 20.49 | Dickens Heath | 80,000 | 44.37 | 116.5 | 122.2 |
| 125,000 | 53.26 | Fordbridge | 125,000 | 52.54 | (1.4) | 0.0 |
| 22,150 | 23.82 | Hampton-in-Arden | 22,150 | 23.84 | 0.1 | 0.0 |
| 40,000 | 49.88 | Hockley Heath | 75,000 | 94.22 | 88.9 | 87.5 |
| 49,657 | 21.67 | Kingshurst | 46,700 | 20.25 | (6.5) | (6.0) |
| 53,157 | 44.37 | Meriden | 32,736 | 27.05 | (39.0) | (38.4) |
| 120,500 | 44.43 | Smith's Wood | 122,910 | 45.37 | 2.1 | 2.0 |
| 15,000 | 32.54 | Tidbury Green | 15,000 | 31.91 | (1.9) | 0.0 |
| 1,220,529 | | | 1,297,083 | | | |

Capital Budget 2010/11

CAPITAL BUDGET FOR 2010/11

Members approve a rolling three year capital programme which is regularly reviewed to ensure expenditure is sustainable in terms of available funding. This funding primarily consists of a combination of supported borrowing approvals from central government; prudential borrowing within council approved limits; specific capital grants; and capital receipts from the sale of council assets.

The Council faces some severe challenges if it is to effectively prioritise and manage its capital investment. Recent years have seen a decline in the value of the planned capital receipts received, resulting in a projected funding shortfall of £2.95m for the 2010/11 programme which will be addressed by re-phasing or reducing the programme. In addition, we anticipate that the future three year Government capital allocations will be much lower than current levels. With this in mind it is clear that there will continue to be very limited options for the funding of new capital expenditure in future years beyond that for which resources have previously been identified and earmarked.

To ensure the capital programme is affordable, the future capital strategy must take into account the reduced level of funding both from Government and future capital receipts. It will consider the existing capital programme commitments and ensure they are still relevant in meeting the Council's priorities.

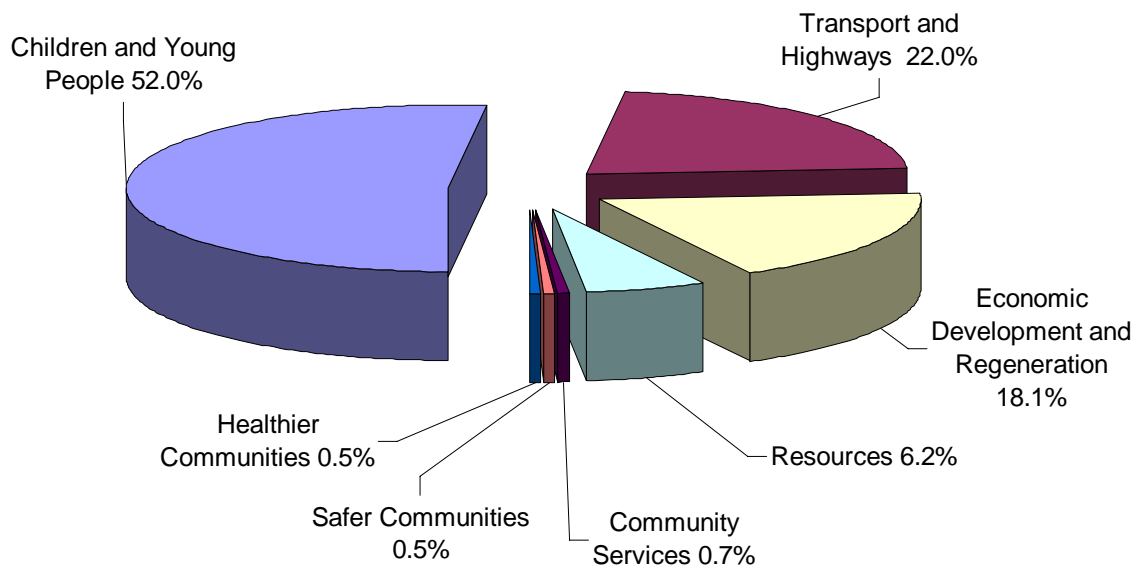
The Council will explore all sources of capital funding to facilitate the delivery of the Council's priorities. The introduction of prudential borrowing has provided some flexibility in relation to funding for the capital programme. It has been used to deliver major projects such as Shaping Solihull, Chelmsley Wood Town Centre Regeneration and Energy and Carbon Saving projects. Increasingly, large capital projects are dependant on external grants, specific Government funding or partnership arrangements e.g. Building Schools for the Future programme, ANITA project, Primary Modernisation programme, Leisure Public Private Partnerships (PPP), Waste Disposal Project and the North Solihull Regeneration project.

The Capital Strategy sits alongside the three year revenue budget strategy and feeds into the annual revenue budget by informing on the revenue implications of capital funding decisions. The implications for the three year revenue budget strategy are fully considered before any capital funding decisions are confirmed. Equally, the availability of prudential borrowing means that capital and revenue solutions to service delivery can be considered, and ranked, alongside each other as part of an integrated revenue and capital financial strategy.

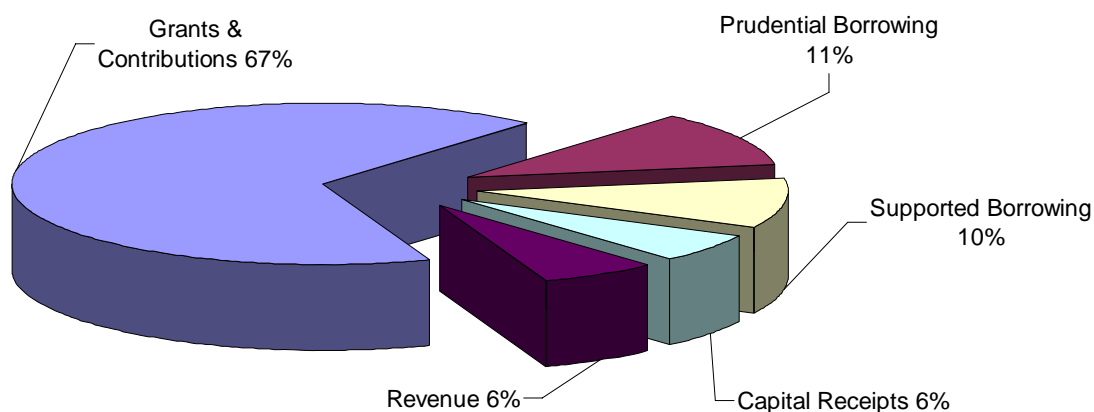
The table below summarises the capital programme by Cabinet portfolio and the resources available to fund the programme.

| Provisional Capital Programme 2010/11 | £m |
|--|---------------|
| Children & Young People | 25.120 |
| Community Services | 0.327 |
| Economic Development & Regeneration | 8.741 |
| Healthier Communities | 0.273 |
| Resources | 2.975 |
| Safer Communities | 0.271 |
| Transport & Highways | 10.624 |
| Total Capital Programme | 48.331 |

CAPITAL BUDGET FOR 2010/11



| Funding | £m |
|----------------------|---------------|
| Grants | 32.397 |
| Prudential Borrowing | 5.160 |
| Supported Borrowing | 4.612 |
| Capital Receipts | 3.117 |
| Revenue | 2.997 |
| Contributions | 0.048 |
| Total Funding | 48.331 |



The capital programme for 2011/12 will be set in line with council priorities when future capital allocations are confirmed by the Government.

Detailed Budgets by Cabinet Portfolio

DETAILED BUDGETS BY CABINET PORTFOLIO 2010/11

Children and Young People

The tables below summarise the main responsibilities of this portfolio together with details of the revenue and capital budgets and reserve balances for 2010/11.

Main Responsibilities

This portfolio brings together education and children's social care services. The main portfolio responsibilities are:

- Safeguarding and promoting the well-being of all children and young people
- Promoting high standards of education and ensuring appropriate choice, diversity and fair access in the local education system
- Leading the delivery of the Solihull Children and Young People's Trust
- Providing a range of integrated and inclusive localised services to children, young people, their families and carers
- Supporting social regeneration and learning initiatives
- Tackling youth justice

| Revenue | Proposed Budget 2010/11 £'000 |
|---|--|
| Objective Analysis - Division of Service | |
| Children's and Family Services | 24,304 |
| Education Services | 7,411 |
| Schools Capital Charges | 10,173 |
| Integrated Youth Support Services (IYSS) | 2,158 |
| Net Expenditure | 44,046 |
| Subjective Analysis | |
| Employees | 22,022 |
| Running Costs | 38,785 |
| Gross Expenditure | 60,807 |
| Income | (16,761) |
| Net Expenditure | 44,046 |

| | |
|--|---------------|
| Capital projects (including primary school modernisation, regeneration and school's devolved capital) | 25,120 |
|--|---------------|

| | Forecast Balance 1/4/2010 £ | Contribution 2010/2011 £ | Forecast Expenditure 2010/2011 £ | Forecast Balance 31/3/2011 £ |
|-----------------|--|---|---|---|
| Reserves | 1,473,573 | 722,950 | (17,410) | 2,179,113 |

DETAILED BUDGETS BY CABINET PORTFOLIO 2010/11

Community Services

The tables below summarise the main responsibilities of this portfolio together with details of the revenue and capital budgets and reserve balances for 2010/11.

Main Responsibilities

This portfolio brings together Environmental Health, Trading Standards and Licensing and Bereavement Services. Responsibilities for this portfolio include:

- Domestic refuse collection, waste disposal and recycling services
- Streetcare cleansing and maintenance
- Libraries – community access to information, reading, information technology and learning services
- Arts Complex – theatre, studio, gallery and arts development
- Leisure Services – sports and physical activity development and leisure centres (in partnership with Parkwood)
- Environmental improvement works in local areas through Neighbourhood Management, in consultation with the community
- Town Centre Management support

| Revenue | Proposed Budget 2010/11 |
|---|--------------------------------|
| Objective Analysis - Division of Service | £'000 |
| Adult and Community Learning | 39 |
| Arts and Tourism | 311 |
| Cleansing Services | 2,507 |
| Community Services Directorate Support | 107 |
| Environmental Group Support | 630 |
| Leisure Services | 1,823 |
| Libraries | 4,812 |
| Waste Collection, Disposal and Recycling | 8,939 |
| Neighbourhood and Town Centre Management | 1,193 |
| Parks and Open Spaces | 1,735 |
| Net Expenditure | 22,096 |
| Subjective Analysis | |
| Employees | 5,486 |
| Running Costs | 20,098 |
| Gross Expenditure | 25,584 |
| Income | (3,488) |
| Net Expenditure | 22,096 |

| | |
|---|------------|
| Capital projects (including waste recycling) | 327 |
|---|------------|

| | Forecast Balance 1/4/2010 | Contribution 2010/2011 | Forecast Expenditure 2010/2011 | Forecast Balance 31/3/2011 |
|-----------------|----------------------------------|-------------------------------|---------------------------------------|-----------------------------------|
| | £ | £ | £ | £ |
| Reserves | 1,245,258 | 806,160 | (387,500) | 1,663,918 |

DETAILED BUDGETS BY CABINET PORTFOLIO 2010/11

Economic Development and Regeneration

The tables below summarise the main responsibilities of this portfolio together with details of the revenue and capital budgets and reserve balances for 2010/11.

Main Responsibilities

This portfolio brings together regeneration, economic development, housing (non-landlord services) and spatial planning to deliver a clear focus on regeneration and community issues as follows:

- Policy development and implementation of the physical, social and economic regeneration of North Solihull
- Developing policy, people and business to drive forward development of the economy and sustainable communities
- Advocating the borough's case in regional and sub-regional policy development and resource allocation and attracting external funding to the borough
- Developing and implementing strategies for dealing with homelessness and enabling the delivery of affordable housing
- Developing policies and practices to ensure the sustainable development of the borough, including biodiversity and the historic environment
- Spatial planning of the borough and the promotion and management of new development
- Ensuring the health and safety of building users, promotion of energy efficiency, sustainable development and meeting the access needs of disabled people through the mechanism of the Building Regulations
- Private sector housing services including the administration of the Disabled Facilities grants, renovation grants, energy conservation of homes

| Revenue | Proposed Budget 2010/11 |
|---|--------------------------------|
| Objective Analysis - Division of Service | £'000 |
| Community and Economic Regeneration | 663 |
| Housing Strategy and Advice | 775 |
| Planning Services | 936 |
| Private Sector Housing | 937 |
| Net Expenditure | 3,311 |
| Subjective Analysis | |
| Employees | 3,862 |
| Running Costs | 2,053 |
| Gross Expenditure | 5,915 |
| Income | (2,604) |
| Net Expenditure | 3,311 |

| | |
|--|--------------|
| Capital projects (including North Solihull Regeneration, and housing projects at Highfield Farm & Masons Way) | 8,741 |
|--|--------------|

| | Forecast Balance 1/4/2010 | Contribution 2010/2011 | Forecast Expenditure 2010/2011 | Forecast Balance 31/3/2011 |
|-----------------|----------------------------------|-------------------------------|---------------------------------------|-----------------------------------|
| | £ | £ | £ | £ |
| Reserves | 937,295 | 0 | (453,898) | 483,397 |

DETAILED BUDGETS BY CABINET PORTFOLIO 2010/11

Healthier Communities

The tables below summarise the main responsibilities of this portfolio together with details of the revenue and capital budgets and reserve balances for 2010/11.

Main Responsibilities

This incorporates the main responsibilities of Community and Voluntary Relations, Mental Health and Adult Social Services which are delegated by the Council to the Solihull NHS Care Trust, leading on partnerships for health and social care and care systems integration as well as strategic and operational commissioning to respond to the needs of vulnerable adults & carers (Elderly, Disability, Learning Disability and Other Adult Services).

- Delivery of national service frameworks in partnership and care management (Social Work and Occupational Therapy, direct care services, direct payments to promote choice and social care commissioning)
- Separately identified grant funded services including Supporting People (commissions and funds housing related support services for vulnerable people)
- Mental Health Services were transferred from SMBC to the Care Trust on 1st October 2009
- Improving relations with, and support to the voluntary, community and third sector

| Revenue | Proposed Budget 2010/11 |
|--|-------------------------|
| Objective Analysis - Division of Service | £'000 |
| Adult Social Services Client Services SMBC | (5,810) |
| Adult Social Services Care Trust Contract | 48,601 |
| Mental Health Care Trust Contract | 2,236 |
| Community and Voluntary Relations | 72 |
| Equalities and Diversity | 89 |
| Net Expenditure | 45,188 |
| Subjective Analysis | |
| Employees | 765 |
| Running Costs | 51,428 |
| Gross Expenditure | 52,193 |
| Income | (7,005) |
| Net Expenditure | 45,188 |

| | |
|---|------------|
| Capital projects (including Adult Social Care and Mental Health schemes) | 273 |
|---|------------|

| | Forecast Balance 1/4/2010 £ | Contribution 2010/2011 £ | Forecast Expenditure 2010-2011 £ | Forecast Balance 31/3/2011 £ |
|-----------------|--------------------------------|-----------------------------|-------------------------------------|---------------------------------|
| Reserves | 0 | 0 | 0 | 0 |

DETAILED BUDGETS BY CABINET PORTFOLIO 2010/11

Resources

The tables below summarise the main responsibilities of this portfolio together with details of the revenue and capital budgets and reserve balances for 2010/11.

Main Responsibilities

Responsibilities for this portfolio include:

- Frontline customer services: Solihull Connect walk-in and contact centres, Registration services, Collection of local taxes and administration of Benefits
- Corporate support services: Accountancy, Human Resources & Equalities, Information and Communication Technology (ICT), Procurement, Performance, Communications, Legal, Corporate Governance and Internal Audit
- The Council's buildings, land and property assets and investments
- Civic and democratic services to Members and the Mayoralty
- The Council's Treasury Management responsibilities
- Commissioning and Partnership management

| | Proposed Budget 2010/11 £'000 |
|---|--|
| Revenue | |
| Objective Analysis - Division of Service | |
| Audit, Governance and Risk Management | 1,244 |
| Central Services | 187 |
| Collection of Local Taxes and Benefits | 566 |
| Corporate Communications | 392 |
| Corporate Performance, Policy and Information | 634 |
| Corporate Property | 2,782 |
| Customer Services | 2,413 |
| Democratic and Mayoral Services | 1,480 |
| Financial Operations | (4,744) |
| Grants and Donations | 563 |
| Human Resources | 1,953 |
| ICT | 6,472 |
| Investment Properties and Land | (3,052) |
| Legal Services | (5) |
| Other Joint Authorities Services | 418 |
| Procurement | (85) |
| Registrars | (1) |
| Strategic Services Management and Strategy | 1,543 |
| Net Expenditure | 12,760 |
| Subjective Analysis | |
| Employees | 20,687 |
| Running Costs | 64,665 |
| Gross Expenditure | 85,352 |
| Income | (72,592) |
| Net Expenditure | 12,760 |

| | |
|---|--------------|
| Capital projects (including ICT Programme and Property Services) | 2,975 |
|---|--------------|

| | Forecast Balance 1/4/2010 £ | Contribution 2010/2011 £ | Forecast Expenditure 2010/2011 £ | Forecast Balance 31/3/2011 £ |
|-----------------|--|---|---|---|
| Reserves | 8,044,650 | 132,850 | (258,050) | 7,919,450 |

DETAILED BUDGETS BY CABINET PORTFOLIO 2010/11

Safer Communities

The tables below summarise the main responsibilities of this portfolio together with details of the revenue and capital budgets and reserve balances for 2010/11.

Main Responsibilities

This portfolio brings together Environmental Health and Public Protection, Crime and Disorder and Bereavement Services. Responsibilities for this portfolio include:

- Environment Health and Public Protection – protection of the environment, public health and animal welfare and empowering and protecting consumers and traders
- Licensing of people, premises and vehicles to maintain and improve public safety
- Crime and Disorder – tackling crime, disorder, drugs, nuisance and anti-social behaviour – lead for the Safe and Stronger Local Area Agreement / Solihull Partnership work (including Crime & Disorder Reduction Partnership)
- Bereavement Services – burial, cremation and memorial facilities

| Revenue | Proposed Budget 2010/11 £'000 |
|---|----------------------------------|
| Objective Analysis - Division of Service | |
| Cemeteries and Crematoria | (735) |
| Crime & Disorder Reduction | 282 |
| Environmental Health and Public Protection | 1,926 |
| Net Expenditure | 1,473 |
| Subjective Analysis | |
| Employees | 3,203 |
| Running Costs | 2,130 |
| Gross Expenditure | 5,333 |
| Income | (3,860) |
| Net Expenditure | 1,473 |
| Capital projects (including Safer and Stronger Community Fund) | 271 |

| | Forecast Balance 1/4/2010 £ | Contribution 2010/2011 £ | Forecast Expenditure 2010/2011 £ | Forecast Balance 31/3/2011 £ |
|-----------------|-----------------------------------|--------------------------------|--|------------------------------------|
| Reserves | 442,785 | 64,300 | (229,395) | 277,690 |

DETAILED BUDGETS BY CABINET PORTFOLIO 2010/11

Transport and Highways

The tables below summarise the main responsibilities of this portfolio together with details of the revenue and capital budgets and reserve balances for 2010/11.

Main Responsibilities

This division is structured in a way to provide greater focus for the delivery of an integrated, seamless service bringing together Transport Policy, Traffic, Highways and Environmental Management. Responsibilities for this portfolio include:

- Delivery of the Local Transport Plan
- Maintaining all aspects of the highway infrastructure
- Street lighting maintenance, design and inspection
- Traffic Management and Transportation
- Design and management of schemes investigating and analysing traffic conditions and implementing accident remedial measures
- Working with our partners in education, health, enforcement and the community to improve road safety in the borough as well as encouraging alternatives to the car such as cycling, walking and public transport
- Maintaining, publicising, safeguarding and enhancing Public Rights of Way
- Management and maintenance of public car parks in the borough and responsibility for civil enforcement of parking contraventions

| Revenue | Proposed Budget 2010/11 |
|---|--------------------------------|
| Objective Analysis - Division of Service | £'000 |
| Car Parks | (1,246) |
| Highways | 7,143 |
| Highways - Asset Rentals | 1,481 |
| Road Safety | 464 |
| Street Lighting | 1,758 |
| Net Expenditure | 9,600 |
| Subjective Analysis | |
| Employees | 3,739 |
| Running Costs | 10,865 |
| Gross Expenditure | 14,604 |
| Income | (5,004) |
| Net Expenditure | 9,600 |

| | |
|---|---------------|
| Capital projects (including public transport and access improvements to airport and NEC, red routes, bus showcase and road safety) | 10,624 |
|---|---------------|

| | Forecast Balance 1/4/2010 | Contribution 2010/2011 | Forecast Expenditure 2010/2011 | Forecast Balance 31/3/2011 |
|-----------------|----------------------------------|-------------------------------|---------------------------------------|-----------------------------------|
| | £ | £ | £ | £ |
| Reserves | 357,114 | 0 | 0 | 357,114 |

GLOSSARY

This glossary is an explanation of terms used throughout this document.

Area Based Grant

A non-ring fenced general revenue grant, made up of a wide range of former specific grants from Government Departments, to support national, regional and local priorities.

Budget

A budget is a plan of approved spending during a financial year.

Budget Requirement

The amount of Council spending to be financed from the Revenue Support Grant, Council Tax and National Non Domestic Rates.

Business Rates or National Non-Domestic Rates (NNDR)

A charge on local businesses, at a rate set by the Government, collected by local authorities and paid into a national pool. The Government then pays each local authority a proportion of the total collected in the pool, which is determined through the funding formula (see below).

Capital Expenditure

Spending on items that are expected to provide benefit for at least a year, such as roads and buildings.

Capital Receipts

Money received from the sale of assets, land or the repayment of loans. The Council is allowed to use capital receipts earned to fund capital expenditure.

Comprehensive Spending Review (CSR)

The CSR outlined government spending plans for the three years from 2008/09 to 2010/11. It set national expenditure control totals for each of the Government departments – the level of funding received by the Department for Communities and Local Government (DCLG) determines the funding that will be available to local government over the period.

Council Plan

The Council's key strategic documents for identifying our vision, ambitions and priorities as a council and our contribution to the shared vision for Solihull as set out in the Community Strategy.

Council Tax

A tax paid by residents of the borough to the Council, based on the value of their property, to be spent on local services. The level of council tax income required is determined by the difference between the funding received from the Government and what the Council has set as a budget for the year.

Dedicated Schools Grant

Schools are funded separately from other Council services. The Council receive a Dedicated Schools Grant (DSG) direct from the Government, which is paid over to schools.

Funding Formula

The system the Government uses to work out how much funding each authority should receive from redistributed NNDR and Revenue Support Grant is based on four blocks:

- Relative needs – this uses a series of formulae which measure an authority's relative need based on its social, economic and demographic characteristics
- Relative resources – this takes into account an authority's ability to raise income through council tax.
- Central allocation – this calculates a basic amount of grant per head for each authority

GLOSSARY

- Floor damping – this ensures that each authority receives a minimum increase in grant.

The result for each of these blocks is added together to arrive at the total grant for the year.

Government Grants

Most government grants are service based and are specific to the services that they support (see also Revenue Support Grant).

Local Area Agreement

Solihull's Local Area Agreement, which was approved in June 2008 by the Secretary of State for Communities and Local Government, comprises 32 agreed improvement targets reflecting the local priorities set out in the Sustainable Community Strategy. It brings together local partners through the Solihull Partnership to focus on the needs of citizens and communities.

Medium Term Financial Strategy

A high level plan for revenue and capital spending over a three year period.

Revenue Support Grant (RSG)

The main Government grant which helps support Council services. The amount of RSG is determined through the funding formula system.

Solihull Partnership

A Local Strategic Partnership which brings together local communities and their elected representatives, and public, private, voluntary and community sector organisations voluntarily to work in partnership to improve the lives of people in Solihull. This is a formal way of making sure that local co-operation is effective and value for money is achieved. Local Strategic Partnerships are responsible for producing a Sustainable Community Strategy (SCS) and Local Area Agreement (LAA)

Sustainable Community Strategy (SCS)

The Sustainable Community Strategy, produced by Solihull Partnership, is a vision for the kind of borough we want in ten years time.

QUICK REFERENCE GUIDE

| | 2009/10 | 2010/11 | Increase/ (Decrease) | For further details see page:- |
|--|---------------|---------------|-------------------------|--------------------------------------|
| 1. Solihull Council's spend | £144.936m | £148.210m | 2.26% | 23 |
| 2. The council tax for a Band D property (excluding police, fire and parish precepts) | £1,147.94 | £1,173.72 | 2.25% | 23 |
| 3. The Joint Authority precepts | | | | 23 |
| Police (at Band D) | £97.98 | £99.45 | 1.50% | |
| Fire (at Band D) | <u>£46.90</u> | <u>£47.83</u> | 1.98% | |
| Total Police & Fire | £144.88 | £147.28 | | |
| 4. The council tax for a Band D property (including Police and Fire precepts) | £1,292.82 | £1,321.00 | 2.18% | 23 |
| 5. The council tax base | | | | 25 |
| Net tax base | 79,203 | 79,518 | | |
| Overall target collection rate | | 99% | | |
| 6. The amount that Solihull Council contributes towards the following levies: | | | | 24 |
| West Midlands Integrated Transport Authority Levy | £10.870m | £11.041m | 1.58% | |
| Environment Agency Levy | £0.084m | £0.082m | (2.38%) | |