

**SPECIAL JOINT OVERVIEW & SCRUTINY SELECT COMMITTEE**

**ON THE DRAFT 2011-12 BUDGET**

**PURPOSE OF THE REPORT**

1. To feedback to the Council a summary of the main issues made at the special joint meeting of the Overview & Scrutiny Select Committees held on 10 February 2011.

**BACKGROUND**

2. As last year to avoid a burdensome and bureaucratic model for the coming together of the four scrutiny select committees, the Organisation & Resources Select Committee agreed that the four committees would again hold a joint committee to consider the draft budget for 2011/12. This would provide an opportunity for non-executive councillors to question the Leader and Cabinet on the draft 2011/12 budget before it was put to Full Council on 22 February 2011 and Cabinet on 15 February 2011.
3. Prior to the introduction by the Leader, the Deputy Leader provided details of the following amendments to the Budget Plan:
  - That the savings references detailed within Ref: C1 (Adult Care Provision) on page 29 of the Plan should read D11 and E1.
  - That the Social Care reserve detailed in paragraph 2, page 54 of the Plan should read £500k and not £500m .
4. The Leader of the Council, in presenting the draft budget to the Committee, provided the following clarifications:
  - In considering the Financial Plan, Councillors should also consider the Business Plan as an important document that would provide clear context to its content.
  - The Executive had spent six months reworking the budget plan to its current state.
  - That significant savings had already taken place throughout the transition of five councils into one.
  - The financial state of the Country and the reduction in grant funding from central government over the next 4 years of 28%, which equated to approximately £32m in the first year, resulted in the release of the business plan taking place later than anticipated.

- The public priorities had been strongly reflected within the Plan. The clear priorities did not just reflect the savings required but also included the protection of services as prioritised by the public over the next 4 years.
- Difficult decisions were made this financial year, including the need to reduce management posts by 240.
- The Council needed to increase its work on lean systems thinking which had worked well over the last two years in order to continue the transformation of the Council.
- Through the Localism Bill the Council would receive a general power of competence which could be used to allow the Council to consider income streams in the future.
- The draft budget, whilst protecting services, also included a 0% increase in Council Tax.

## **MAIN ISSUES RAISED**

### **5. Overall Budget**

An ongoing contractual dispute was causing short-term pressures but would result in a long term saving of £4m.

That in relation to commissioning of services, the Council would always ensure the best and most cost effective deal was in place.

A number of service budgets had been calculated based on previous economic assumptions. Accordingly the base budget had been amended to reflect the current economic situation. The revised budget included the provision of Public Health which was now jointly funded by the Council.

Reserves – The Cabinet member for Finance confirmed that additional funding for areas such as social care would come from savings and there was a commitment to replace the reserves over the next four years.

PFI – The Council was confident in its ability to cover the proposed PFI schemes, including the housing PFI inherited from West Wiltshire District Council.

12% further savings requirement – Following announcements from central government on a further cost saving requirement, each service area within the Council was asked to produce a plan demonstrating where the 12% savings could be made that would result in the least impact to frontline services. It was expected that this would result in a further 250 redundant posts across the Council.

Within the next two years the local authority would be responsible for the funding of Public Health in its entirety although the post would remain jointly appointed by the Minister of Health.

Fees & Charges – it was confirmed that S106 agreements formed part of the Capital Budget. The Director of Resources was leading on a project that would lead to all Section 106 agreements being recorded on the a single database; the Director would be reporting to scrutiny on progress at the end of March.

Carbon reduction – the coalition government had changed its position towards carbon trading, removing the tradable allowance. An update on this would be taken to the March Environment Select Committee.

Communications plan – the Leader confirmed that details of the final financial and business plan would be circulated internally with further communications planned, to include the press and public, thereafter.

## 6. **Department for Children & Education**

- a) **Investment in children's attainment** – there would be reductions to the number of School Improvement Partners (SIPs) and curriculum advisors and a greater emphasis would be put on encouraging high performing schools to support weaker ones. A core of professionals would be retained to facilitate this, with most of the work being done by managers but some by teachers from successful schools. The Council would play an important role in encouraging academies to form partnerships with those schools most in need of assistance.
- b) **School Improvement** – the budget reduction (£0.403m) was due to the reductions to the number of School Improvement Partners (SIPs) and curriculum advisors as mentioned above.
- c) **Connexions** – the cost reduction (£0.767m) would be achieved through reviewing how careers advice services would be delivered during this transitional period prior to the proposed national careers advice service.
- d) **Youth Development Fund** – the budget reduction (£0.549m) did not reflect cuts to staffing but was due to the cessation of the Youth Opportunities Fund as a ring-fenced grant.
- e) **Traded Services** – there would be a reduction (£0.136m) in the Council's subsidisation of Urchfont Manor, Oxenwood Outdoor Education Centre and Braeside Education & Conference Centre. These would be encouraged to attract alternative income from other sources. For example, Urchfont Manor has begun hosting weddings.
- f) **Sure Start** – unlike many councils, Wiltshire would be retaining all (30) of its Children's Centres in recognition of the crucial role they played in communities.
- g) **Children's Social Care** – the cost reduction (£0.143) would be achieved by combining business support services for children's social care and youth services within their new integrated structure, and by relocation into only four hub offices.

## 7. Department for Community Services

- a) **Transfer of funds from health service** – The Council and PCT had agreed a transfer of £1.4m to the local authority. All partners were working together to plan and manage the wide ranging changes to healthcare provision within Wiltshire.
- b) **Big Society** – Members asked for clarification on this budget area and noted that it was match-funding from government to promote ‘big society’; details were embargoed but confirmation was given that it would see a bigger role for the Area Boards. A budget of £200k had been set aside by the Council whilst further details on grant funding were received. The Council supported the voluntary sector centrally but area boards would be encouraged to assist smaller organisations and groups within their areas. To clarify the roles of the voluntary sector and area boards Sandy Lewis, Head of Strategy, Voluntary and Community Sector, would be briefing Councillors. The successful delivery of these projects would require support from the voluntary sector and members recognised this as a risk.

## 8. Department for Neighbourhood and Planning

- a) **Regeneration** –The £1m identified for investment invested would be complimented by a further £2m from EC grants which would allow the Council to continue with economic regeneration programmes. On the basis of the investment 6,000 new jobs and the safeguarding of 8,000 existing jobs within Wiltshire was expected.
- b) **Development Services** –in the future additional fees would be secured from pre-application advice including for listed buildings and a one off charge for the monitoring of S106 agreements. A balance sheet provision for costs arising from planning fees within DNP existed for potential appeals although it was recognised that the risk of these remained low.
- c) **Salisbury Park and Ride Sites** – The way in which park and ride site provision was delivered would be changed, with prices based on passengers rather vehicles. A report would be presented to Cabinet in due course providing details on the proposed changes.
- d) **Street Scene** – parts of Wiltshire would see a reduction in the frequency of grass-cutting, which in part would contribute to the savings required from street scene.
- e) **Rail infrastructure** – The Council continued to support an increased local rail service within Wiltshire. The Economy and Enterprise team were leading on discussions but there was no money set aside in the budget for rail infrastructure improvements.

## 9. Department for Public Health and Wellbeing

- a) **Emergency Planning** – A written response would be circulated post meeting on the budget for this area to provide clarity on the proposed budget for 2011/12 (*not yet received*).

- b) **Licensing provision** – A reduction in staffing levels had taken place which included an exercise to review the service to result in a better regulation system.
- c) **Pest Control Services** – This service would remain an income stream for the authority, with further opportunities being explored.
- d) **Community Safety** – The budget reflected a reduction in partnerships funding, although reassurance was given that anti social behaviour and substance misuse funding would be retained.

## 10. Department of Resources & Chief Executive

- a) **Management Review** - £850k had been allocated last year for the Management Leadership Programme to provide officers with the tools needed to address the changes following the amalgamation of five councils into one. It was understood £250k had been spent prior to cancellation of the programme. There was a need for continued training as there were high expectations on managers across the organisation. Sickness levels amongst staff had increased over the last six months.
- b) **Economic Partnership** – £40k had been removed from the Local Economic Partnership funding. As the partnership had been running for 2 years a review would be undertaken.
- c) **Campuses** – a paper would be considered by Cabinet on Campuses on Feb 15th but members recognised the important role volunteers would have in this area and would scrutinise further as more details emerged.
- d) **Procurement** - £36m savings were still expected over the next 4 years within the procurement area. £7.4m savings had been achieved this financial year to date with expectations that further savings would be achieved.
- e) **Communications Department** - Although highlighted as an area under Resources Communications remained with the area of the Chief Executive. This service area was also expected to achieve 12% cost savings.
- f) **Ring-fencing** – most ring-fenced funding had been removed by central government although funding for specific educational purposes would continue to be ring-fenced.

## 11. Capital Budget

- a) **Highways** – Taking into consideration the significant reductions on funding received the settlement for Highways from central government would remain reasonable for Wiltshire. An additional £1.4m was received last year although there was no indication that additional funding would be provided this year.

## 12. Fees & Charges

- a) **Domestic Rates** – The Council had a discretionary policy which allowed an element of flexibility on national domestic rates that flowed through the Council. This allowed the authority to work with businesses to provide help where possible within areas of the community.

## CONCLUSION

13. The Joint Committee noted the Cabinet Member responses, and would, however, continue to scrutinise the budget, particularly the Workplace Transformation Programme and the increased investment into Adult Social Care.

The Council is recommended to take into account this summary of the main issues raised at the special joint meeting of the Overview and Scrutiny Select Committees when determining the budget and council tax for 2011-12.

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**Cllr Jeff Osborn**  
**Chairman – Joint Overview & Scrutiny Select Committee**