

WILTSHIRE COUNCIL

COUNCIL

28 February 2012

Subject: Liberal Democrat Amendments to the Cabinet’s Business & Financial Plan update 2012-15

1. Introduction

1.1 The attached summary of Liberal Democrat proposed amendments to the Cabinet’s budget proposals being put forward on this elsewhere agenda have been subject to review by the Section 151 Officer in consultation with all other statutory officers. Their comments are included in this amendment.

1.2 This amendment notes the bulk of the revenue budget and capital programme as they stand, and makes only minor changes to reflect specific priorities and political commitments as detailed in Appendices 1 and 2.

1.3 **Revenue** – the differences arise from a combination of:

- 1) Additional investment not supported,
- 2) Identifying further savings possibilities, and
- 3) Providing new or increased resources for specific political priorities. These changes are summarised below.

	£m	£m
1. Investments not accepted	(0.200)	
2. Further savings proposals	(2.200)	
Net resources freed up (1 + 2)		(2.400)
3. Amended investment proposals		2.400

1.4 This would result in a call on the Collection Fund at the same level as the Leader’s proposals, thereby meaning that a freeze on Council Tax increases arising from Wiltshire Council’s plans could still be afforded.

- 1.5 Capital** – In order to fund some of the new amended investment, a re-profiled spend profile of the capital programme is proposed. This sees the overall capital spend profile change from 2012-13 to 2013-15, but not the overall planned level of spending, as follows:

Capital project area	Cabinet proposed spend £m	Liberal Democrat alternative £m	Change £m
2012/13			
Depot	4.000	1.000	-3.000
Campus	13.751	10.000	-3.751
Fleet	1.500	0.500	-1.000
Net change			-7.751
2013/14			
Depot	2.900	3.000	+0.100
Campus	13.395	17.146	+3.751
Fleet	1.500	2.000	+0.500
Net change			+4.351
2014/15			
Depot	0.0	2.900	+2.900
Campus	8.514	8.514	0
Fleet	0.0	0.500	+0.500
Net change			+3.400

- 1.6 Fees & charges**– The proposed amendments would reduce the charge for swimming for under 16's, and over 60's to nil. No other charges are proposed.

- 1.7 Housing and Schools** - no changes to these proposals are submitted.

2 Amended Savings / Additional Income

- School improvement

- 2.1** An additional £0.050 million is proposed to be found through providing for additional posts in school improvement to trade externally given the deletion of such posts in other local authorities. The assumption is that the additional traded service would cost £0.250m but will be allow the service to improve its recovery of overheads and promote internal efficiencies to deliver £0.050m after recovery of fees.

- **Street lighting**
- 2.2 It is proposed that in addition to the administration's proposals to turn off street lights, half of those remaining lit will be transferred onto LED bulbs to yield a saving in energy costs. This will require capital investment of around £2.800m with a borrowing cost of circa £0.250m. As such this proposal will be cost neutral for 10 years after which point it will yield payback or £0.250m per annum.
- **Senior management**
- 2.3 The alternative proposal is for 2 to 3 posts to be removed from Service Director / Head of Service level saving £0.150m.
- **Transformation**
- 2.4 The alternative proposal is to set a target for the Transformation team to find £0.400m from its £15m budget.
- **Communications & Branding**
- 2.5 This proposal is to reduce both the non-staffing and staffing establishment within communications. The total £0.750m would be split circa £0.300m printing on external publications £0.450m staff. That would mean a reduction of circa 20 FTE posts out of a team of 41.3 FTEs.
- **Defer capital borrowing costs**
- 2.6 The proposal is that the cost of borrowing for the capital programme is deferred due to re-profiling the timing of a number of projects as set out at paragraph 1.5 of this report. This would defer £7.800m of spend in 2012/13, although some of this is due to be funded from receipts so a prudent figure of £0.600m of saved revenue costs has been assumed.

3 Amended investment

- **One Hour free car parking.**
- 3.1 It is proposed that the first hour charge for off street car parking across the whole of the County be free. This will cost circa £1.500m with no assumption of lost income from other charges or on street parking, or additional income from longer stays.
- **Free Swimming.**
- 3.2 It is proposed to fund free swimming for under 16's and for the over 60's, excluding lessons. This will result in a net cost, all things being equal of £0.355m and £0.150m respectively based on current / previous demand.
- **Leisure Centre opening on bank holidays.**
- 3.3 It is proposed to re-open all Council run Leisure Centres on bank holidays at a cost of £0.115m.

- **Community Area Transport Groups (CATG).**

3.3 It is also proposed that the £0.250m delegated 2011/12 base budget for highways improvement is again earmarked for the CATG Area Board spending, plus another £0.500m from Local Transport Planning capital Integrated Transport Budget that is currently managed centrally. This would be cost neutral as the proposal simply moves money to Area Boards to allocate.

4 Chief Finance Officer/Section 151 Officer Comments –

4.1 The attached proposed amendments to the Cabinet’s proposals elsewhere on this agenda have been subject to review by myself as Section 151 Officer in consultation with all other statutory officers.

4.2 The proposals identify, in line with Cabinet’s proposals, a £1.695 million draw on the collection Fund that would result in a nil Council Tax increase. The proposed amendments cover both revenue and capital proposals to Council.

4.3 The assumptions surrounding the estimates within the amendment have been assessed and a number of risks arise that members need to be aware of in considering the amendments. The main risk around these proposals is that more detailed work will need to be carried out by officers in assessing the level of savings that could be delivered from 1st April 2012 and thus no allowance has been made for any slippage. It should be noted, however, that the savings are proposed to be invested in additional activities which may similarly be delayed in implementation. Therefore, on the basis that any delays in delivering savings and incurring expenditure balance out, I believe the overall proposals when taken together as one amendment, still maintain the robustness of the budget.

4.4 Specific comments on proposals are set out below.

Item	Financial Risk
<p><i>Savings & Investment Proposals not accepted</i> (£200,000)</p>	<p>There is a potential risk that if grant funding is available from Central Government for the ‘Big Society’ there may not be match funding. However, this is a low risk.</p>

Item	Financial Risk
<i>Further savings / income</i>	
School Improvement (£50,000)	As there is no strategy to trade wider than current business plan there is a high risk that the Council will not have the ability to trade and costs will not be recovered. However, with planning this could be delivered, but will remain a risk given the high probability of changes to schools funding coming forward in the next 12-24 months.
Street Lighting (net £0)	This is a net nil impact to the Council, although it would require planning to deliver within a tight timescale.
Senior Management (£150,000)	There are no proposals for which posts or the consequences; as such there is a risk of it not being achieved without such proposals coming forward, this may thus need to be a higher figure to allow for part year savings.
Transformation (£400,000)	There are no proposals for how this will be found, rather it is a target, and as such there is a risk of it not being achieved without proposals coming forward, this may thus need to be a higher figure to allow for part year savings.

Item	Financial Risk
Communications & Branding (£750,000)	This proposal will impact on the level of service and there are statutory notice requirements managed by this team. The proposal would reduce the printing budget by nearly 50% and posts by the same percentage. The printing removed would need to prioritise the statutory requirements such as Council Tax leaflets. The significant reduction in posts would require consultation, need to start quickly to give full year savings and identify how the service would run post restructure.
Capital borrowing (£600,000)	The proposals set out which schemes to defer and balance over three years back to the administration's proposals. As such there is only a small financial risk – for example, if a vehicle to be replaced incurs higher repair costs as kept for longer. This could also have an impact on a service if a vehicle is not available, but this is difficult to quantify. As such the main risks will lie in the delay of development to service provision. The deferral also means that the savings will be a one off and would require savings to sustain this in future years being found.

Item	Financial Risk
Car parking (£1,530,000)	The ability to predict car parking income is dependent on several variable factors. The proposal could have a positive or negative impact on the income collected from other charges or on-street. This could cost £1.7m more if people did not stay for more than an hour. As such the figures have been calculated on a straight replacement of the 1 hour charge at this stage. Further monitoring of the affect would be required to ensure the budget remained robust and deliverable. This has to remain a high risk.
Free swimming (£355,000 + £150,000)	The costs are based on 2010 assumptions when the national grant funding was withdrawn. The net cost assumed to fund this is £0.505m, but does not include any change in costs associated with staffing and running a centre will be incurred; and that circa £0.160m of the gross cost (£0.665m) will be offset by additional income from increased usage of Leisure Centres by other attendees coming into the centres with Children / Over 60's. The assumptions will need to be revisited based on end of 2011/12 visitor numbers. These risks would need to be monitored during implementation.
Leisure Centres open on bank holidays (£115,000)	This is based on costs associated with the centres when they were previously open on these dates. No changes to demand have been assumed.

Item	Financial Risk
CATG	The grant funding is no longer ring fenced and assumes that the decision is taken to allocate the money for this purpose. It also draws away from other strategic developments, including traffic management across the County, safe routes to schools and other activities that have to be managed and prioritised centrally. This will need to be assessed further to ensure that additional costs are not incurred in the future by necessity to fulfil a statutory responsibility.

4.5 In conclusion, whilst there are specific risks as outlined above the scale of the alterations being proposed above are limited and so do not fundamentally change the affordability or deliverability of what is being proposed. If some or all of these amendments were accepted there would be issues around gearing up to work in new areas/changing direction etc, but these would need to be managed by officers in conjunction with the relevant partner organisations where appropriate.

5. Monitoring Officer Comments

5.1 I agree with the interim Chief Finance Officer / Section 151 Officer's assessment of the proposals and risks and I am satisfied that, overall, the proposals are legally sound.

6. Head of Paid Services comments

6.1 The proposals contained in the paper have been scrutinised by all the statutory officers of the council. I can confirm from the perspective of workforce planning that the amendments and proposals contained can be implemented, although most will require a consultation process to take place in line with the Council's policies. As some of these are targets the timing of this would need to be known very soon to deliver near full year savings. No detail has been presented on these. Other risks are outlined below.

6.2 **School Improvement** - There is an assumption that posts could be recruited to and there would be no impact on management of these staff or service. This would need to be reviewed further.

- 6.3 **Senior management restructure** – Any proposals would need to be assessed and be subject to the Council’s consultation process. Savings would need to be accounted for net and everyone concerned that the remaining tasks were deliverable within the remaining capacity. This will require full evaluation of job descriptions and structures. Without these it is not possible to comment further.
- 6.4 **Leisure centres re open on bank holidays** - This would need to ensure that staff are paid on Wiltshire Terms and conditions and that appropriate rota management was in place to allocate and capture staffing for these dates.
- 6.5 **Free swimming** – it is noted that no additional staff provision has been accounted for, this would need to be assessed to ensure the Council meets its Health and Safety requirements.

7. PROPOSAL

- 7.1 That Council considers the amendments to be set out by the Liberal Democrat Party, as summarised in the body of this report and detailed in Appendices 1 and 2, alongside comments from the statutory officers within this report.

Appendix 1

Amendments to Revenue budget proposed

Summary - General Fund Revenue				
		£m	£m	£m
<i>Administration Investments not accepted</i>				
Investment Communities (Big Society)		-0.200		
			-0.200	
<i>Additional Savings / income</i>				
Net increased income from school improvement trading		-0.050		
Street Lighting LED energy savings		-0.250		
Additional Senior Management savings from reduction in Service Directors and Heads of Service		-0.150		
Reduce Transformation base budget		-0.400		
Reduce spend on Communications & Branding		-0.750		
Defer capital borrowing costs		-0.600		
			2.140	
Total Resources Freed Up				2.400
<i>New initiatives</i>				
1 Hour free parking across the County		1.530		
Street lighting LED infrastructure - funding for capital spend / borrowing		0.250		
Re-open Leisure centres on bank holidays		0.115		
Free Swimming – under 16s		0.355		
Free Swimming – over 60s		0.150		
Total New Spending Initiatives				2.400
Change in Overall Budget Position				0.000

Amended Capital Programme – only changes highlighted

Scheme name	Capital Programme budgets				
	Current Budget 2012/2013	Current Budget 2013/2014	Current Budget 2014/2015	Current Budget 2015/2016	Total
	£m	£m	£m	£m	£m

Education schemes

Sarum Academy Salisbury	9.937	7.222			17.159
Additional Accommodation	15.984	5.147	5.147	5.147	31.425
NDS Maintenance & Modernisation	9.159	5.890	5.890	5.890	26.829
Devolved Formula Capital	1.078	1.078	1.078	1.078	4.312

Capital Programme budgets					
Scheme name	Current Budget 2012/2013	Current Budget 2013/2014	Current Budget 2014/2015	Current Budget 2015/2016	Total
	£m	£m	£m	£m	£m
Access & Inclusion	0.100	0.100	0.100	0.100	0.400
DCSF Primary Capital Programme	0.026				0.026
DCSF Targeted Capital 14-19 SEN	0.700				0.700
Other Projects New Schools	3.122				3.122
Other Schools Projects - Expansions & Replacements	1.146				1.146
Other Education schemes	0.003				0.003
Total Education schemes	41.255	19.437	12.215	12.215	85.122

Capital Programme budgets					
Scheme name	Current Budget 2012/2013	Current Budget 2013/2014	Current Budget 2014/2015	Current Budget 2015/2016	Total
	£m	£m	£m	£m	£m

Highways schemes

Integrated Transport	2.668	2.668	3.752	3.752	12.840
Bridges & Structural Maintenance	13.813	13.020	12.262	12.262	51.357
Additional assumed amount to maintain current provision	1.730	2.523	2.197	2.197	8.647
Footways, ALA, Land Drainage & Other Minor Schemes	0.500	0.500	0.500	0.500	2.000
Total Highways schemes	18.711	18.711	18.711	18.711	74.844

Capital Programme budgets					
Scheme name	Current Budget 2012/2013	Current Budget 2013/2014	Current Budget 2014/2015	Current Budget 2015/2016	Total
	£m	£m	£m	£m	£m

Campus and Operational Delivery (CAOD) schemes

Hub Programme Office rationalisation	15.198	0.600			15.798
Operational Estate	2.067	3.000			5.067
Depot Strategy	1.000	3.000	2.900		6.900
Campus	10.000	17.146	8.514	8.135	43.795
Total CAOD schemes	28.265	23.746	11.414	8.135	71.560

Scheme name	Capital Programme budgets				
	Current Budget 2012/2013	Current Budget 2013/2014	Current Budget 2014/2015	Current Budget 2015/2016	Total
	£m	£m	£m	£m	£m

Other Property schemes

Buildings Planned Maintenance (non CAOD)	3.265	2.500	2.500	2.500	10.765
Total Other Property schemes	3.265	2.500	2.500	2.500	10.765

Housing schemes

Disabled Facilities Grants	2.900	2.555	1.000	1.000	7.455
Corporate Other Housing grants	0.961				0.961
Gypsy and Traveller sites	0.250	3.500			3.750
HRA - refurbishment of council stock	9.377	10.162	10.612	10.178	40.329
Total Housing schemes	13.488	16.217	11.612	11.178	52.495

Capital Programme budgets

Scheme name	Current Budget 2012/2013	Current Budget 2013/2014	Current Budget 2014/2015	Current Budget 2015/2016	Total
	£m	£m	£m	£m	£m

Waste scheme

Waste Transformation	0.528	0.138	0.138		0.804
Total Waste schemes	0.528	0.138	0.138	0.000	0.804

Other schemes

Revenue & Benefits IT System	0.277				0.277
Carbon Reduction	2.700				2.700
Adult Social Care Strategy - Older People, LD & Mental health	0.654				0.654

Scheme name	Capital Programme budgets				
	Current Budget 2012/2013	Current Budget 2013/2014	Current Budget 2014/2015	Current Budget 2015/2016	Total
	£m	£m	£m	£m	£m

Other schemes, continued

Area Boards and LPSA PRG reward grants	0.500	0.500	0.500	0.500	2.000
Rural Estates	0.400	0.195			0.595
Cross Departmental Initiatives System Developments	0.500	0.500			1.000
Digital Inclusion	3.000	9.900	5.000	2.000	19.900
ICT Schemes	0.670	1.000			1.670
Leisure (non campus)	0.750				0.750
Fleet Vehicles	0.500	2.000	0.500		3.000
Total Other schemes	9.951	14.095	6.000	2.500	32.546
Total Capital Programme	115.463	94.844	62.590	55.239	328.136