

AGENDA SUPPLEMENT (1)

Meeting: Cabinet
Place: The Kennet Room - County Hall, Trowbridge BA14 8JN
Date: Tuesday 7 February 2017
Time: 9.30 am

The Agenda for the above meeting was published on **Monday 30 January 2017**. Additional documents are now available and are attached to this Agenda Supplement.

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This Agenda and all the documents referred to within it are available on the Council's website at www.wiltshire.gov.uk

10 **Wiltshire Council's Financial Plan 2017/18 (Pages 3 - 16)**

- Report of the Financial Planning Task Group
- Report of the Overview & Scrutiny Committee
- Changes to Proposals from the Administration

DATE OF PUBLICATION: 7 February 2017

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Wiltshire Council

Overview and Scrutiny Management Committee

1 February 2017

**Report of the Financial Planning Task Group – 27 January 2017:
Financial Plan Update 2017/18**

Issue (page and paragraphs numbers refer to the Budget report)	Further information / Comments
Budget Setting Process	
<p>Budget setting process for 2017/18</p> <ul style="list-style-type: none"> • Councillor briefing 24 Jan • Financial Planning Task Group 27 Jan • OS Management Committee 1 Feb • Trade Union meeting with Group Leaders 3 Feb • OM Management Committee 14 Feb (opposition budget) 	<p>A robust approach involving the political and corporate leadership.</p> <p>The outcome from three stages of scrutiny should mean that full Council is informed when it comes to the debate.</p>
Revenue Budget 2016/17	
<p>(Page 6)</p> <p>The 2016/17 revised revenue budget of £313.950 million is forecast to be balanced with no further need to draw on reserves (para 3.2)</p> <p>Budget monitoring of the capital, Housing Revenue Account (HRA) and schools budgets show they are also on target to be balanced at year end (para 3.3)</p>	<p>The Task Group will scrutinise the final outturn figures once available.</p>
Specific budget areas 2017/18	
<p>(Page 8)</p> <p>Action 2 – Stimulate economic growth</p>	<p>An overall decrease to the Economy & Planning service budget of £0.207M (5%) is proposed in the report. This is in part due to £0.100m of income. However, the outcome of three Local Growth Fund (LGF) bids</p>

	<p>totalling £28M are being pursued and announcements on these schemes are due imminently.</p>
<p>(page 8)</p> <p>Action 3 – Area Boards and working with communities</p> <p>“It is proposed that a further £0.05 million is reduced from this budget, on the basis that sufficient funds remain to deliver the current range of activities.” (page 9)</p>	<p>It was clarified that the youth funds held by Area Boards will reduce by £50k, but the overall spend is considered deliverable due to the balance of locally maintained funds that have not been spent in the last 18 months.</p> <p>Further information was requested and later provided regarding how the “leverage” of youth grant funding (i.e. the amount of further investment in the community it secures) and how the number of young people accessing activities are calculated.</p>
<p>(page 10)</p> <p>Action 5 – Protecting the vulnerable</p> <p>Adults with learning disabilities An overall decrease to the Learning Disability service budget of £0.851M (2%).</p>	<p>Financial (unit cost) and performance benchmarking against other local authorities across the South West has been undertaken and the potential for savings identified. The council is now working to improve its approach to procuring Learning Disabilities services, including reducing the number of different contractors providing separate elements. A pilot of the new approach with 20 complex learning disability cases is underway.</p>
<p>(page 10)</p> <p>Social Care Levy</p> <p>“...the Secretary of State for the Department for Communities and Local Government (DCLG) announced ... scope to bring forward planned three year increases totalling 6% to two years, that is 3% in 2017/18 and 2018/19 with no Levy in 2019/20. This is proposed in the recommendations to Council”</p>	<p>It was noted that care providers sometimes respond to increases in local government funding by seeking equivalent increases in their fees.</p>
<p>(page 11)</p>	<p>Provision of transport for children and young people with SEND is a</p>

<p>SEN Transport</p> <p>“Over the last two years the Council has seen a significant pressure on its budget from the increased cost of children with special educational needs and adults with learning disabilities. This is due to a mix of higher need, complexity of cases and changes to Government policy, especially around new statutory requirements for the 18-25 age group which also impact on transport demand.”</p>	<p>statutory requirement, but interpretation of the eligibility criteria is locally determined and may provide opportunities for savings.</p> <p>The council is also seeking efficiencies through greater alignment of children's and adults transport.</p>
<p>(page 13)</p> <p>Action 8 – Delegate Land and services</p> <p>“The Council has a strategy agreed with our local partners and continues to commit to and deliver on this policy.”</p>	<p>Savings achieved through delegating land and services are included under the Highways & Transport service savings (page 47).</p>
<p>(page 13)</p> <p>Action 9 – Community Campus / Hub Centres</p> <p>“Work is currently underway to assess the feasibility to progress the delivery of community hubs in Royal Wotton Bassett, Tidworth, and Devizes.”</p>	<p>It was reported that the approach to Community Campuses is shifting towards restoring and making better use of existing buildings rather than new developments.</p> <p>In the 2017-21 council a review of the leisure strategy may be prudent to ensure it is realistic against the available financial envelope.</p>
<p>(page 13)</p> <p>Action 10 – Public Health</p> <p>“The Public Health Grant funding of £18.269 million will be directed to care through early intervention and prevention to reduce higher future health demands on the council and improve health outcomes for the Wiltshire population.”</p>	<p>Some other areas are further ahead with CCG-local authority joint working and the pooling of CCG, adult social care and public health budgets. Wiltshire needs to move in this direction to achieve the efficiencies required by the demographic and financial challenges.</p>
<p>(page 14)</p> <p>Action 12 – Developing our workforce</p> <p>“The budget includes a provision of £2.344 million to fund the nationally agreed pay increase in pay and the new Apprenticeship Levy. The Council is investing in</p>	<p>It was reported that the council’s use of apprenticeships needs to be increased from the current 30 to 106 to achieve 100% reimbursement of the Apprenticeships Levy and it is planned to increase the number across the organisation during 2017-18.</p>

<p>apprenticeships in response to the Levy. Over the last three years the Council has employed 49 apprentices, with one recently winning national recognition for her work.”</p>	
<p>(page 29)</p> <p>Rents Setting 2017/18</p> <p>“...rents [for social housing] will be reduced by 1% per annum for the next four years (from April 2016 to March 2020) ...This will have an impact on the future years’ level of reserves to carry out repairs and maintenance.” (para 8.12)</p> <p>“...This equates to an average actual rent reduction of £0.90 per week. This will now apply to all properties in 2017/18.” (para 8.13)</p> <p>“Service charges including those for sheltered accommodation (many of which are for utilities) are also proposed to increase by 2%, the same increase as garage rents.” (para 8.15)</p>	<p>The 1% decrease in social housing rents would exceed the impact of the 2% increase to service charges. 515 units would receive an average service charge increase of £0.27 a week.</p>
<p>(page 34)</p> <p>Staff savings</p> <p>“A target of £3.575 million of staff savings are still being finalised. These cover all areas of the organisation both in terms of grades and services.” (para 9.9)</p>	<p>It was reported that the savings represent 2% of staffing against an annual staff turnover of 10% and represents just over 120 posts (with an average salary of £30k).</p> <p>Significant controls on recruitment have been in place for 6 months and management will now consider what vacancies can be deleted without service impacts, which are currently staffed through agency etc.</p> <p>The impact of removed posts is assessed and some are later reinstated for service delivery reasons.</p>
<p>(page 34)</p> <p>Administration savings</p>	<p>This also includes removing duplication of tasks and finding efficiencies by using technology.</p>

<p>“Further appraisal of administration will target £0.800 million of savings from a review of administrative staffing operational structures including vacancies, staff turnover and recruitment.” (para 9.9)</p>	
<p>(page 38)</p> <p>Assessment of reserves</p> <p>“The Council’s General Fund estimated reserve at 31 March 2016 based on the forecast outturn, at Section 3 of this report from the current forecast outturn is circa £11.2 million. This means the General Fund Reserve is in line with the revised recommended level, and future use of these funds are seen as a matter of last recourse given the low levels compared to other councils.” (para 11.3)</p>	<p>Given the low levels compared to other councils, the task group would monitor any future use of reserves.</p>

Cllr Glenis Ansell, Chairman of the Financial Planning Task Group

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Cabinet 7 February 2016

Council 21 February 2016

**Special Meeting of the Overview and Scrutiny Management Committee
Report on the Draft 2017/18 Financial Plan**

Purpose of report

1. To report to Cabinet and Full Council a summary of the main issues discussed at the special meeting of the Overview and Scrutiny Management Committee held on 1 February 2016.

Background

2. The special meeting of the Overview and Scrutiny Management Committee provided an opportunity for non-executive councillors to question the Cabinet Member for Finance and the Associate Director for Finance on the draft 2017/18 Financial Plan before it is considered at Cabinet on 7 February 2017 and Full Council on 21 February 2017.
3. The Cabinet Member for Finance, supported by the Associate Director of Finance, was in attendance along with the Leader of the Council and all members of the Executive and the Corporate Leadership Team to provide clarification and answers to issues and queries raised by the Committee.
4. In addition to the draft Financial Plan available on the website a briefing from the Cabinet Member for Finance open to all members was held on 24 January 2017.
5. Details had included:
 - Council Tax to be increased by 1.99%, plus a 3% Social Care Levy, a 1% increase from the Medium Term Financial Plan approved by Council on 18 October 2016.
 - The continuing reductions in grant funding from central government, being a further 17.6% reduction for the next financial year.
 - Increases in investment to protect vulnerable children and adults, and investing in the environment and roads.
 - Details of service changes required to achieve the £13.331m savings proposed.

Main issues raised during questioning and debate

6. The Chairman invited the Chairmen of the Select Committees to lead off discussion, with a focus on budget proposals and their implications for services relating to those committees, before opening to general queries.

Financial Planning Task Group

7. The report of the Task Group on the proposals was received and noted, in addition to thanks to its members for their work monitoring and scrutinising the council's finances throughout the year.
8. The report would be forwarded for attention at Cabinet and Full Council along with the report of the Management Committee itself.

Environment Select Committee

9. In relation to the council's key actions within its business plan details were sought on highways investment, and in response it was confirmed that while Wiltshire was due to receive £2.946m of the National Productivity Investment Capital Fund aimed to reduce congestion at key locations and improve maintenance of local highway assets, the conditions around using the grant had not yet been clarified.
10. Details were sought on proposed efficiencies in services including Leisure, Parking provision and Planning consultation in respect of town and parish councils.
11. The £1.003m savings required under Waste services was discussed, with a suggestion the Environment Select Committee might need to consider further scrutiny to monitor the changes proposed.
12. In response to queries on reviewing the model for community support it was stated the review would include the management structure for area boards, and details were sought on the proposed £0.400m savings through a review of Voluntary Community Social Enterprise (VCSE) partnership arrangements and whether there would be reductions to payments to all partners. The Cabinet Member agreed to provide a list of VCSE groups along with details of current arrangements and proposed reductions for each.
13. Other topics discussed included the reduction in the subsidy for councillor ICT provision, details of the Housing Revenue Account (HRA) and that no funds being allocated for carbon reduction.

Children's Select Committee

14. The Committee discussed the increasing pressures regarding children with special educational needs and adults with learning disabilities, in part from new statutory requirements for the 18-25 age group. £1.000m of the increased pressures related to children transitioning into Adult Care. It was reported that when a young person transferred from children's to adults' services their funding moved with them and there was consequently a need to ensure the Children's services budget was not disadvantaged.
15. It was noted that a lot of work had been undertaken on the council's School Improvement Strategy, and that £0.500m was being invested to support this Strategy.

16. Details were sought on budgets for Safeguarding and Early Help services with the intention to record internal meetings electronically rather than recruit dedicated minute-taking staff to save £0.100m.
17. In response to queries it was stated details would be provided to members on the number of local authority schools which would be running deficit budgets for the next financial year.
18. It was confirmed that the £0.050m total reduction in area board youth funding would apply to all area boards, not only those which had not utilised their full previous allocation of youth funding.
19. It was also stated by the chair of Children's Select Committee that figures showing young people's engagement with area board-funded youth activities could not be directly compared with previous years as the methodology for calculating these had changed.

Health Select Committee

20. The increasing pressures on Adult Social Care was discussed, with the 6% increase in investment noted. Details were sought of the £1.510m of savings that would still be required, with a focus on preventative work to reduce demand and changes to working practices. It was noted that a significant amount of the growth in investment related to the effect of the National Living Wage on adult services contracts.
21. The £1.000m of savings identified from a review of the Learning Disabilities service for adults was highlighted and it was suggested that the Health Select Committee might monitor the review and any impact upon this group.
22. Further details were also sought on the review of services in Public Health and Public Protection, and the £0.175m of savings identified across that service identified.

General Enquiries and Observations

23. Other issues discussed included clarifying the number of staff posts that were likely to be removed under the Financial Plan, approximately 200. It was confirmed some had already been identified within service budgets while others remained to be identified, and it was hoped that removing vacant posts would minimise the need for redundancies.
24. Details were also sought on the number of apprenticeships at the council, approximately 30, and efforts to increase this, as well as assessment of the use of dedicated reserve funding and health and wellbeing centre funding allocations. It was confirmed that potential movements in the rate of inflation and the impact of central government's reform of National Non-Domestic Rates (NNDR) presented a level of financial risk, as set out in the General Fund Reserve Risk Assessment.
25. At the conclusion of the debate it was resolved that the budget scrutiny process had been robust, in-depth and had added value to the draft budget proposals.

Proposal

26. That Cabinet and Council take into account the comments from the Overview and Scrutiny Management Committee in considering the update to the Financial Plan 2017/18.

Councillor Simon Killane
Chairman of the Overview and Scrutiny Management Committee

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6 February 2017

Item 10 (b) – Wiltshire Council Financial Plan – Administration Amendment

Amendments to Budget

Subject to Cabinet approving these amendments, the proposals will then be considered at Overview and Scrutiny Management Committee on the 14th February 2017.

Following various discussions as set out below since the Medium Term Financial Plan and 2017/18 Budget was published a number of changes have been discussed and considered by the Conservative Group. As a result, the following amendments are to be moved by Baroness Jane Scott of Bybrook, OBE – Leader of Wiltshire Council:

- ***Investment***

i) Visit Wiltshire – to limit the reduction in the grant funding to £50,000:

- The current proposals identified a £100,000 reduction in the grant to Visit Wiltshire. Following a further review of the contract, the work schedule of Visit Wiltshire and discussions around their accounts and reserves, it has been agreed that the reduction will be limited to £50,000 in order that they can carry out work over the next 12 months to continue attracting visitors to the County. Further discussions will carry on with Visit Wiltshire and other stakeholders as to future years funding.

ii) Wiltshire Parent Carers Council (WPCC), increase investment by £50,000:

- The scale of Parent Carers covered in Wiltshire is six times the national average. The team sends weekly communication to over 2,500 parent carers, and a significant number of professionals, ensuring that people are aware of all information about Special Educational Needs and Disabilities (SEND), and the full range of services and activities open to them. The additional £50,000 will enable the employment of another full time member of staff employed by WPCC (extending the times when the phone line can be operational) and would allow running of additional information and support sessions for Carers and professionals.

iii) Extend the opening hours at Salisbury (Churchfields), Chippenham (Stanton St Quintin) and Trowbridge (Canal Road) Household Recycling Centres (HRCs) by one day per week from April to October by investing an additional £175,000:

- Discussions and analysis of data relating to the county's HRCs has been ongoing since the introduction of permits last September and the ongoing discussions relating to the new contract. That analysis and negotiations, are still ongoing. However the latest visitor data, which was not available at the time of projecting the budget, suggests that at the three main sites in Salisbury, Chippenham and Trowbridge there is a need to increase investment to enable an additional opening day. This will enable a more regular flow of visitors, and ease any potential issues with traffic queueing on the highways.

iv) Additional £100,000 investment in the development of staff:

- In October to December 2016 the Council undertook a survey of staff satisfaction. The results were analysed and the first draft available at the end of January. A high percentage of staff completed the survey (65.7%). The main issues identified were that the staff results for those questions relating to availability of Learning and Development opportunities (questions 41 and 42) were significantly reduced over the previous 2014 scores, and were also lower than those recorded following the 2012 staff survey. Learning and development was also a key theme identified in feedback from the recent staff engagement forums. As a result, it is proposed to invest an additional £100,000, with a focus on improving our learning and development offer, including increasing access to coaching and a new mentoring programme, a programme of leadership and management development for aspiring and current managers and a continued focus on providing staff with access to quality learning and development resources to create a "my career is my asset" culture where staff actively take control of their own development.

- Funding

v) Marketing and communications to find £175,000:

- It is already proposed in 2017/18 to reduce marketing costs across the council by a further £200K. In addition it is now proposed that a further £175,000 will be saved in communications. The additional £175,000 savings in 2017/18 will be found from staff posts, not printing the Your Wiltshire magazine, further reduction in print costs and securing income through digital and other advertising opportunities.

vi) To fund £200,000 of Preventative Property Maintenance from Whole Life Capital funding:

- Revenue spend on maintaining Council buildings will always be required. However, with the Council's investment in new buildings and a reduction in the number of buildings it is possible to also look at reprioritising certain work and improving key integral assets, such as boilers, on a more planned practice. The Council has set aside £0.500 million in the Capital Programme for such whole life cycle costs. The proposal is that from 2017/18 that fund will be part used and part rolled forward to enable future works. As a result £200,000 of revenue works will be replaced by targeted and more efficient capital works.

Financial Summary

A Financial Summary is appended. This identifies that the proposals are self-balancing and thus as a whole do not impact on the net base budget proposed in the original paper to Cabinet.

Monitoring Officer Comments

The proposals contain a change in the opening hours for Household Recycling Centres. This is being considered as part of the proposals and any changes will be considered in accordance with the decision making framework. The proposals do not impact adversely on the statutory duties of the Section 151 Officer, or any of the other statutory requirements set out in the Cabinet report at Section 13.

Head of Paid Service Comments

As Head of Paid Service, I can confirm that officers have followed their usual independent advice.

The four budget amendments presented today have been considered for some time by the administration and officers and this is summarised in the paper from the Finance Director detailing the amendments

We are aware of the full details of the Administration's amendments as set out and consider the proposals are viable and deliverable, and do not impact adversely on the substantive motion as they would not change the net budget requirement, the level of Council Tax or reserves proposed.

Appendix 1 - Administration (Conservative) 2017/18 – Proposed Budget Amendment Summary

Revenue Budget:				Capital Budget:			
Investment	2016/17 £m	Funding	2016/17 £m	Investment	2016/17 £m	Funding	2016/17 £m
1. Visit Wiltshire - to amend the planned reduction and limit it to £50,000; thus reinvesting £50,000 of draft proposals in order to enable Visit Wiltshire to promote the County.	0.050	A. By reducing staff posts, not printing the Your Wiltshire magazine, a further reduction in print costs and securing income through digital and other advertising opportunities.	-0.175	1. As Revenue proposals aside see B. By managing the Property Preventative Maintenance budget to ensure that the planned programme of works focuses on capital improvement as appropriate to ensure longer life, it is possible to fund works from Capital.	0.200	i. Funded from the Capital whole life programme set within the current proposed capital programme.	-0.200
2. Extend the opening hours at Churchfields, Stanton St Quintin and Trowbridge Household Recycling Centres by 1 day. Following further review in January of traffic, tonnage, contract and public comments there remains a view that the current hours could lead to traffic queueing on the highway and as a result the three main HRCs will open for an extra day April 2017 to October 2017.	0.175	B. By managing the Property Preventative Maintenance budget to ensure that the planned programme of works focuses on capital improvement as appropriate to ensure longer life, it is possible to fund works from Capital.	-0.200				
3. Wiltshire Parent Carers Council - employment of another full time member of staff (extending the times when the phone line can be operational) and would allow the running of additional information and support sessions for Carers and professionals.	0.050						
4. The 2016 Staff Survey results were collated the end of January 2017 and identify that staff have identified the lack of development as being a key reason for turnover and lack of satisfaction. As a result the Administration propose to invest a further £0.1m into learning and development, alongside other investments in staff, including apprenticeships.	0.100						
Total invest	0.375	Total Funding	-0.375	Total invest	0.200	Total Funding	-0.200
Balance	0.000			Balance	0.000		