

### **Leader's speech – Budget – 26 February 2013**

They say a week is a long time in politics but Wiltshire Council became a unitary authority almost four years ago and the time has gone so quickly!

In the four years we have made many changes and we have delivered a great deal.

Our focus has always been to do what we believe is best for the people of Wiltshire.

We have had to change, do things differently, adopt new and innovative ways of working and not be afraid to take tough decisions. We have done this so that our front line services can be protected.

Four years ago we had the opportunity as a new unitary to make efficiencies and save money and this has undoubtedly helped us.

We knew that the demand for some of our services was increasing; particularly those for adult care as the growth in the number of older people in our county was exceeding the national average, also that more children were coming into care as was the case across the UK.

We also recognised that investment was needed in the county's roads and the waste and recycling collection services.

What we didn't know, at the time, was that this demand pressure would be combined with a significant reduction in our funding from central government as a result of the Comprehensive Funding Review in 2010. The review reflected the national and world wide economic decline. The chancellor announced that local government funding would be reduced by 28 per cent in real terms and 21 per cent in cash over the next four years. In the autumn of 2012, this reduction in cash was extended by a further 2 per cent to apply in 2014/15. For Wiltshire this means our funds from central government have been reduced in cash terms by 22 per cent but in real terms, when factoring in inflation, the reduction is closer to 37 per cent, which is nine per cent more than we predicted in 2010.

Added to that our financial challenge is tougher in Wiltshire.

We receive an average of 224 pounds in government grant per head of population – that is almost 94 pounds less than the English rural average of 318 pounds. Plus - the population of the county aged 65 plus is 15 per cent higher than the national average and this will rise to 18 per cent by 2015.

This means we need to invest more than 3 million pounds in services for older people next year just to stand still.

Keeping the local economy vibrant has always been a priority. Following the review in 2010 we had to adapt and revise our plan to take account of the effect of the economic downturn. This combined with the reduction in central government funding would have an impact on our communities and residents, and Wiltshire's economy as a whole.

In response to these challenges, three years ago we published our first business plan.

It set out that we would:

- invest in key frontline services
- protect the most vulnerable in our communities, and,
- save money to enable us to do this

And, it also stated that;

- We would keep any increase in council tax low, and;
- We would protect our frontline services.

I think it's important that I update on whether we achieved what we set out to do. It's easy to set goals but far more challenging to actually achieve them.

These achievements are key to the decision on the budget proposals for next year 2013/14 and what we agree in readiness for a newly-elected council.

Over the last four years, we have invested more than 85 million pounds in frontline services, we have not increased council tax, we have managed the 22 per cent decrease in central government funding and we have delivered more than 100 million pounds of savings to pay for this.

To bring this to life and to remind you of some of the investments and savings that we have delivered, I would like to show you the following [short video that takes a look back at the first four years of Wiltshire Council and highlights some of our key achievements...](#)

I hope you will agree that we have built a good and solid foundation ready to hand over to the new council in May, and that we leave a legacy of outstanding achievements and new innovative programmes of work, that will continue to deliver improvements and savings long into the future.

I'd like to now look ahead to next year.

At a time when other local authorities are making cuts, we plan to invest and improve our services and increase our support for local communities, despite a continued decrease in public sector funding.

In 2013/14 our funding from central government will have been reduced by a further 9.8 million pounds – this represents the biggest reduction so far – and by the end of 2015 our funding from central government will have reduced by 22 per cent.

I am proposing to invest almost 18 million pounds in the revenue budget to support key frontline services.

This will include investment into;

- adult care and aspects of children's services reflecting the increased demand in these areas and our commitment to protecting the most vulnerable in our communities
- car parking; to support local towns and the city to allocate three days of free parking to coincide with local events – building on the success of last year's celebrations – and, to support season tickets for parking to assist low paid workers and to reflect our commitment to boosting the local economy
- waste and recycling services – this will be the final investment to support the MBT plant in Westbury becoming fully operational in September - and to meet the current landfill taxes. This service will save money from next year as recycling rates continue to increase and we dispose of waste in more innovative ways leading to a reduction in the amount of landfill tax we are charged
- And, we need to cover inflation costs and changes in central government legislation such as meeting the redundancy costs in some schools converting to academies and for setting up the new health and well being board.

I am also pleased to announce that as a result of lobbying central government, we have attracted an additional 362,000 pounds of government grant above the draft settlement figures. This additional funding reflects the new formula that recognises the uniqueness of rural areas and the additional costs that are incurred in supporting rural communities like ours.

Our allocation was one of the highest nationally and I am proposing that;

- 162,000 pounds of this additional grant will be distributed between the area boards to focus on children and young people in communities, supporting local projects, schemes and facilities reflecting the success of many local initiatives last year. An example of this was the excellent Young People's Awards in Melksham and I understand that this project has been deservedly shortlisted for a corporate award.
- The remaining 200,000 pounds will be allocated to support and challenge schools to raise standards and improve educational outcomes for Wiltshire's young people.

- We also agreed to support town and parish councils following the late announcement on council precepts from central government. I would like to take this opportunity to acknowledge and thank these councils for the work they do delivering local services and supporting our communities.

I am also planning to invest almost 146 million pounds into services and capital schemes.

This will include;

- An additional 3 million pounds on roads maintenance reflecting local feedback that we need to spend more on highways and potholes including £300,000 more into flood alleviation projects
- £16.6 million on affordable housing and social housing highlighting the demand for good quality affordable homes and reflecting our new powers to spend more money to improve the condition of our council homes in Salisbury
- Almost £39 million to provide the first seven community campuses in Corsham, Melksham, Salisbury, Calne, Cricklade, Pewsey and Tisbury. This will deliver sustainable savings through more efficient, modern buildings as well as providing enhanced facilities for our communities. In the longer term the plan is to create 18 campuses in each of the community areas. The campuses will bring police, health, leisure, other council and public and voluntary services together in one location, in modern, efficient facilities, based on what each local community says it needs.
- We will continue to invest in the local economy with the roll out of superfast broadband. This was planned to reach 85 per cent of Wiltshire homes and businesses but will now reach 91per cent. We allocated £16 million and we received a government grant of £4 million to deliver this project.
- Our base budget reflects a £1 million growth each year to support the local economy. This includes help to provide incubation units across the county, as well as local initiatives in market towns such as underwriting the Christmas market in

Salisbury, and support for the apprenticeship scheme which aims to have 1,000 people placed in apprenticeships by July this year. Currently more than 770 have been placed in apprenticeship posts in local businesses.

- This year has been a difficult year for schools. The funding for schools is currently allocated from central government for us to reallocate based on local and national formulae. Overall Wiltshire's funding allocation remains below the national average in terms of spend per pupil. In line with national requirements, we have worked with schools and revised the formula to deliver a new scheme that reflects local priorities.

The total estimated Dedicated School's Grant for 2013/14 is more than 302 million pounds before the adjustment for the impact of academies. No school will receive a reduction in budget of more than 1.5 per cent per pupil, before any pupil premium is added.

- We are planning to allocate £38 million into schools to invest in new fit-for-purpose buildings and to carry out maintenance works on existing buildings.

It is vital that we continue to protect our frontline services and those who are most vulnerable in our communities and that we support economic growth to create and protect jobs through investment in infrastructure, and support for local businesses and inward investment.

We need to continue to work with our local communities to do more in 2013, such as local events to help boost our market towns and city. We know that stronger communities that come together are better able to tackle issues that affect them.

We also know that Wiltshire is a great place in which to live and work – in fact it's the fourth happiest county in the country and we want to keep it that way.

Our budget proposal for 2013/14 looks ahead to the challenges we face and it grasps the opportunities ahead.

Last year's events helped to reinvigorate the local economy and we will continue to take action to keep it buoyant. Communities came together to celebrate, generating a sense of pride and real community spirit. We want to encourage them to come together again this year and we will work with them to support local events and activities.

Last year inspired many of us to be more healthy and active and to take up new sports or activities. I intend to continue to provide free swimming for the under 16s in the school holidays given the overwhelming success with more than 100,000 free swims taken up so far. The rise in the level of activity – particularly children and young people – and the reduction in the level of childhood obesity in our county is a reflection of last year's success.

We were proud to support our local Olympic and Paralympic athletes as they competed and won medals at last year's Games, and we need to keep this momentum going, encouraging everyone to continue to keep fit and healthy and participate in sport and activities.

We are working with local businesses to look at ideas to support our future Olympians and Paralympians in readiness for the Olympic Games in Rio in 2016.

From the first of April public health will be integrated into the council and I am excited at the opportunities this provides for us to work with our partners to continue to improve the health and wellbeing of our local residents.

Whilst the global economic picture is still not good and we are constantly reminded of the recession, Wiltshire's economy has remained resilient and we are boosting it by making sure people have opportunities to work locally. It is excellent news that Wiltshire is one of the top five areas nationally for business investment and that the percentage of people on job seekers allowance is 2 per cent compared with 3.7 per cent across the country. We are supporting the 'Get Britain Working' measures and with our partners we are creating a thriving and dynamic economy which is bucking the national trend.

One of the biggest challenges we've had to contend with is central government's changes to welfare. These wide-ranging reforms will leave some people worse off and we have been working, again, with our partners to ensure the most vulnerable are supported.

Unfortunately in some areas like council tax benefit which is being devolved to local authorities there is a shortfall in government funding. To pay for this shortfall more people will see reductions in benefits. An enormous amount of work is taking place with local people to support those who will be hit the hardest. The aim behind the reforms is to get people back into work, and in Wiltshire we will work to ensure there are more high value job opportunities for those who want and need them.

It is, therefore, vital that we continue to help local people find and stay in employment, which is why we are continuing with our investment into new initiatives in Wiltshire.

More than 25 million pounds of European and government money will be invested into key projects as a result of our work.

These include; securing 10 million pounds of Regional Growth Funding, which will lever in a further 60 million of private investment to develop Porton Science Park.

This will safeguard 100 jobs and create a further 100 jobs in the short term, and create 2,000 new high value jobs over the lifetime of the project.

We have provided direct support for over 700 Wiltshire businesses and working with them we have helped to safeguard almost 3,000 jobs and create more than 2,700 new jobs.

The recent news that the government has agreed the Swindon and Wiltshire Deal will mean that we are able to unlock the economic power of the military in our county. The bid will see military leavers' skills being used by companies who wish to locate and grow in the county. It will also mean surplus MOD land will be considered as areas for potential appropriate development. The bid includes funding for 2,000 university places and higher apprenticeships to support our workforce becoming more skilled. This will mean that companies – no matter how specialist – wishing to move or expand will be able to employ highly skilled local people. It's early days but this is really excellent news for Wiltshire. But, like any good business, we have to keep our costs down, we still have to make savings just to stand still, let alone make the investments I have proposed.



We need to continue to remove waste and unnecessary bureaucracy in our services and provide what our residents need.

I plan to save - 27million, 656 thousand pounds in next year's budget to ensure we can invest in key services and protect those who are most vulnerable.

Four years ago we would have liked to reduce council tax. But, due to the impact of central government cuts in funding and the need to make savings we could not make a reduction. We have, however, not increased in the level of council tax for three years running and we are proposing no increase for next year. We feel it's important to recognise the continued impact of the economic climate and to support our local tax payers.

As I have mentioned previously, the move to one large unitary council has undoubtedly helped us to make savings - the council is bigger and more efficient and has greater buying and negotiating power.

An example is the recent 1.2 million pounds of savings delivered as a result of the new contract awarded for highways and amenities – previously this would have been five separate smaller contracts which were less efficient and more costly. We will continue to look at what we purchase and where we can make further savings.

We are delivering services more efficiently and we are reducing costs by around 10 per cent. We are able to do this by focusing on the customer and removing waste, and we are making better use of our council properties and assets, providing more efficient, fit-for-purpose, cheaper to run and maintain buildings.

We are saving significant money by reducing the number of council offices. We inherited more than 95 that were costly to run, had huge outstanding maintenance work - valued at more than 21 million pounds - and we are reducing to 3 main hubs that will be more efficient.

These will be customer friendly and offer community space as well as the opportunity for sharing with other public sector organisations. An excellent example of this is the police move into the Monkton Park offices. This programme to reduce and refurbish will deliver

savings of more than £5 million each year in running and maintenance costs and will provide fit-for-purpose, energy efficient buildings.

The sale of offices at Browfort in Devizes and Bradley Road in Trowbridge will result in capital funding which will help to fund the delivery of the seven campuses that I referred to earlier.

We have reduced the workforce by 600 posts, including more than 200 managerial roles and the post of chief executive in the last four years.

Our back office or support function costs were 19 per cent of our total budget in 2009 – this is now 9 per cent of our budget and we intend to reduce this further.

We will continue to review the use of consultants and our management structures. The aim is to further reduce duplication by reviewing some corporate support services to deliver more savings. We aim to reduce by an additional 200 posts next year.

The new Help to Live at Home service, which helps older people to live independently at home and in their local community, avoiding residential care for as long as possible, is recognised nationally as both innovative and practical, meeting the balance of achieving care and quality of life. So far it has saved more than 1.2 million pounds and it will continue to save money. More than 60 per cent of people who have received initial support services have no further requirement for care and the service has been streamlined from more than 90 providers to eight.

Our base line budget last year was 350 million, 370 thousand pounds. For this year our proposed base line budget is 340million, 518 thousand pounds – a reduction of almost £10 million.

I firmly believe that in the first four years as a unitary council we have seized the opportunities to do things differently and take a radical approach to delivering our services in the future.

I am extremely proud of the achievements we have delivered and that in tough times we have managed to sustain our front line services and continue to support the most vulnerable in our communities.

We are gaining national recognition for our transformational work including the campus programme, our property rationalisation, our work with local communities and our help to live at home programme.

However, we also recognise that there is work still to be done to improve our children's services and ensure that children and young people are safeguarded. Much has been done since last year's Ofsted inspection, but there is still more to do and that work will continue as a top priority.

I consider it a privilege to have been leader for the first four years of Wiltshire Council and I am confident that strong foundations have been laid ready for a new council to continue to build upon.

Thank you's .....

Before I move to the recommendation, I would like to say a special thank you to Michael Hudson, Finance Director and his team for the production of this year's budget and all the supporting papers.

I now move the recommendations on page 253 of the summons, as well as the recommendations made at cabinet on the 12 February regarding the additional £362,000 government rural grant.