

Mr Chairman

When we met at this time last year we knew that difficult times lay ahead. We knew that our government grant would be cut and that we were in for a period of enforced financial saving and we have been planning for this. However, we did not know, nor foresee, the extent of savings that the new coalition government would require us to make in the first year of their 4 year plans; and nor did we envisage that we would be affected by over 300 new pieces of legislation changing the whole concept of local government and its responsibilities.

The changes in legislation and regulation that are being proposed will alter the relationship between the public sector and our citizens and service users. We will need to change radically in how we will be organised and how we deliver services in the future.

Our resources over the next 4 years will be reduced – we will have to absorb a cut of over 28% in grant funding from the government – and manage the new pieces of legislation. This will not be easy but it would be considerably more difficult had we not combined our 5 councils into one with the appreciable financial savings that brought and continues to bring during this transformation stage.

We will have a completely new partnership landscape to deal with and will need to take account of the expected growth in the number of older people living in our county in the next few years and the increasing number of young children needing our care.

We have looked to the future and produced a business plan that sets out how we intend to meet these challenges over the next 4 years. Whilst today's meeting will consider the budget for next year – our proposals will be in the context of the changing picture for the next few years and beyond.

There are no short-term solutions but our proposals are robust with a planned approach to managing our resources well for the future.

We have openly shared and discussed our proposals with our local communities and stakeholders and we have taken their views into account in our budget planning.

Our vision is to create stronger, more resilient communities. This vision is all about people and places, fostering a sense of community belonging and self-sufficiency where communities can solve problems locally with our support.

Our communities are already becoming more self-reliant, reducing the dependency on public services.

We recognise that a new and different way of working is going to be critical for the future and with significantly diminished resources we have to empower and enable local communities to take a greater control over their futures.

Our business plan sets out what we aim to achieve between now and 2015. It highlights our business model for the next 5 to 10 years. The changes will be phased so that the first 4 years will set the foundations to make the Council as efficient as possible and well equipped for the future.

We believe we can do this because we are taking a long term, pragmatic view and we can take advantage of being a new unitary authority. Unlike many other councils across the country and our neighbouring authorities we are not stopping services or closing facilities and we are not making thousands of staff redundant.

We are different - we are ambitious – we are visionary – but we are also realistic.

We plan to use our resources to:

- √ protect the most vulnerable in our communities
- √ invest in the future of Wiltshire by enhancing some principal service areas, and;
- √ keep the council tax low

We will do this not only by making savings that will cover the cut in government funding but also fund the investments we wish to make.

We propose to invest an additional £34 million over the next 4 years into protecting and safeguarding vulnerable adults and this reflects the expected growth in the number of ageing adults that will need our services. We anticipate that 14% more older people will receive our services in the next few years.

We will also invest £4.7 million into protecting and safeguarding vulnerable children as we know that there is a 5% increase in the number of looked-after children that will need to receive high quality local placements either in foster care or residential placements close to family, friends and their local community.

We know that around 11% of children and young people in Wiltshire are considered to be living in poverty. We want Wiltshire schools to be outstanding whether they are academies or maintained schools, and enable pupils to fulfil their potential. We are proposing an investment of £3.2 million into improving the attainment and progress of pupils' learning.

We will also provide support for young people to move into employment and training. Working closely with our partners we have a range of strategies in place to support young people secure employment. Whilst NEET levels in Wiltshire remain below the national level, this remains an important priority for us.

The Wiltshire Potential Future Job Fund created 495 sustainable new jobs for 18–24 year olds, and the new 100 Apprentice Campaign aims to have 100 new Wiltshire apprentices enrolled within the 100 day period. Working with Job Centre Plus – we have secured work experience placements for 300 unemployed 18–24 year olds and as part of the Action for Wiltshire initiative, the 'Get Prepared Programme' for 16-18 year olds supports young people moving into employment, training or further education.

We are in no doubt that the economic recession has hit Wiltshire – the claimant unemployment in the county has risen during the recession by 4,500 and the growth

in unemployment has been higher than the national average. Whilst the dependency on public sector employment of 22.3% is broadly in line with national levels of 21.8% - we expect the impact on public sector cuts to result in an additional 3,000 job losses across Wiltshire over the next 4 years. Parts of the county are more vulnerable, especially those areas that are dependent on military activity. The closure of RAF Lyneham by the end of 2012 will result in a reduction in the local economy of around £90 million by 2015 and the loss of around 3,400 jobs. There is also a threat to employment at the Health Protection Agency at Porton Down, owing to proposals to relocate up to 600 staff to Essex.

We will need to build economic resilience through developing a broader sector mix and employment base. We are therefore proposing to invest £4 million into supporting the local economy helping the private sector to create 6,000 new jobs as well as safeguarding existing jobs.

We will invest a further £15 million of capital and revenue into broadband so that 85% of Wiltshire will be covered by superfast broadband in the next 4 years. This is in response in part to the business community and their requirements to compete in the market and therefore remain in the county. It is also a requirement if we are to attract new businesses to the county

The maintenance of our highways is really important to local people and businesses and was a top priority when we consulted with our communities. We have made improvements already. Our response time for repairs to non-urgent highways defects has been reduced by 95% and for urgent defects to less than one day. The condition of our roads has been improved by reducing the maintenance backlog by 16% over the last 5 years.

We have also delegated budgets to community area transport groups to prioritise road improvements locally and parish councils have been offered extra salt bags to assist communities during freezing weather and our area boards have been allocated extra grit bins at locations of their choice.

In 2011-12 funding for highways maintenance will increase over and above 2010/11. In addition, it is expected that a number of invest-to-save schemes will be brought forward in our capital programme. Spend on minor repairs and highways maintenance will be looked at as part of our commercial procurement review to achieve savings so that we will be able to do more with the same budget.

The overall increased spend on highways will be £417,000 and we will achieve a further 10% reduction in the roads maintenance backlog.

One of our key priorities and proposed areas of investment is our waste collection service. We need to divert waste from landfill in the medium to long term to secure significant cost savings for residents through reductions in Landfill Tax charges. Our target is to reduce land filled waste to less than 25% of the total collected by 2014.

In addition, we need to harmonise waste collection and recycling arrangements to provide a consistent service across Wiltshire.

The average recycling rate in Wiltshire is already ahead of target - in excess of 40%. However, major investment, encouragement and education will be needed to meet an increased target of 50%.

We have a contract for the delivery of 50,000 tonnes per year of waste to the Lakeside energy waste incinerator near Slough. A second contract for the construction in Westbury of a mechanical and biological treatment (MBT) plant is being finalised. This will provide further capacity to divert waste from landfill. While we continue to put waste into landfill we are required to pay Landfill Tax at a rate of £56 per tonne in 2011/12, rising by £8 per tonne per year until reaching £80 per tonne in 2014.

We propose to invest £23 million into waste and recycling. Wiltshire residents will receive kerbside collections every week on an alternate weekly basis collecting; plastic bottles and cardboard; glass, papers, cans, foil and textiles (the existing black box service); non-chargeable optional garden waste; and remaining waste.

You will be aware that the coalition government has recognised the importance of energy efficiency and introduced an Energy Bill last December. The Bill makes provision for a new 'Green Deal' to improve the energy efficiency of homes and businesses from autumn 2012. The details of how this will work are emerging and during 2011 we will look at how we can best take advantage of this for Wiltshire.

We spent £14 million on energy and transport in 2009/10, with an associated carbon footprint of 66,000 tonnes of CO<sub>2</sub>. We have set a target to reduce our carbon footprint by 20% by 2013/14.

The Carbon Reduction Commitment (CRC) means that for every tonne of carbon emitted from our buildings and streetlights we will have to pay £12 in 2011/12 and 2012/13; £16 in 2013/14 and increasing amounts thereafter. If we do not invest in energy efficiency projects our tax burden will be higher.

We are proposing a further investment of £2 million to help to reduce our carbon emissions, which will reduce the cost of our energy bills.

During 2010/11, £0.5 million was allocated in our capital programme and £0.7 million was secured as a zero per cent government loan. This funding is being invested in a range of energy efficiency projects such as LED bollards, an air source heat pump at the Shurnhold office, and building management systems at leisure centres.

In total the £1.2 million invested in 2010/11 will save £275,000 per year on energy bills, or a total of £1.37 million over 5 years.

We have a good track record of investing in our communities through grants, new ways of doing things with our area boards and in supporting community area partnerships. We propose a further investment of £3.2 million to strengthen area boards and increase the capacity for local people to influence decisions, which affect their local community and continue to involve local people in tackling projects and resolving problems to improve the quality of life in their area. We want to encourage and recognise the contribution and value of volunteering in Wiltshire as this will be vital for sustaining delivery of some services locally.

We already have over 100 volunteers to help in our libraries.

We have been a leader on localism for some time and have strong foundations and relationships, which will help us to shift our role and the role of communities in the future. Our area boards have been pivotal in bringing about new ways of working and we see their role in the future as vital to building resilience in our communities.

Affordable Housing remains a top Wiltshire priority. The average Wiltshire house price is £234,000 but the average salary of £26,000 is well under the £45,000 needed to buy a 2-bedroom terraced house. We have a housing waiting list of 12,000+ of which over a quarter are in the highest need category.

Unfortunately, there are only around 45 housing association and council homes allocated each week. Whilst Wiltshire has an impressive record of creatively delivering new affordable homes, the numbers always fall short of the massive need. So at a time when it is increasingly difficult to deliver affordable homes through conventional routes, there is the reassurance that Wiltshire is on the threshold of delivering the only affordable Housing PFI scheme in the South West.

The project will see delivery of in excess of 250 new affordable homes to rent across the west of Wiltshire and we will build further new council homes in 2011. Our ambition is to enable the development of 450 affordable homes each year. Our PFI investment is primarily the provision of council land, enabling between 250 and 350 new affordable homes to rent.

Failure to deliver affordable housing puts big pressure on other services, such as homelessness, care service and health. A sharp increase in homelessness can result in increased use of bed and breakfast (B&B) with a cost running into millions.

And finally on our programme of investment, we intend to put £3.5 million into leisure. The indoor leisure facilities that we inherited as a result of the new unitary council are broadly outdated, inefficient and unsustainable.

Our proposals enable us to deliver sustainable, cost effective, high quality, indoor leisure facilities that will be part of a wider service delivery project.

The local campus project will be responsible for the delivery of fewer, more efficient and better placed facilities - which as well as providing a location for a range of services will ensure the provision of high quality multi-functional indoor leisure services to all sectors of the community.

We will develop service campus in 5 pilot areas – Corsham, Melksham, Pewsey, Tisbury and Wootton Bassett and we will explore new ways to deliver services in these campus by involving local communities and giving them influence in the development and running of the community services in their area.

Successful delivery of this ambitious business plan will be based on good management and by ensuring that our business and organisational structure is fit for purpose.

We will deliver our programme of investment by reducing our management costs by £8 million – this has already been achieved with 220 managers taking voluntary redundancy.

We will make £36 million by reducing the costs of purchasing our goods and services and a further £6.7 million net through our workplace transformation programme.

By transforming our services and reviewing how we do things we will save £47 million. We will look at each service from a customer point of view, determine exactly what they need rather what we think they need and eliminate any current waste and beaurocracy

I am not aware of any other council making this level of investment and transforming how they work to improve their local communities.

Wiltshire is in a unique place and our plan is ambitious, but realistic. We are confident that we are well placed to deliver a new and exciting local government that



will shift the roles between public sector and community – we want to support our communities to be able to help themselves and improve the quality of life and economy of Wiltshire in these difficult times and beyond.

We know we can make Wiltshire a better place by building on the strong foundations that we have in place. We see the next few years as a real opportunity to deliver improvements and the biggest cultural change ever seen in local government.

Next year's budget is the most difficult of the 4 years as we have to make changes quickly and, having focused on the next four years, I will now focus on the proposals for 2011/12.

### **Our intentions are to continue;**

#### **To provide high quality, low cost, customer focused services**

We must provide the services Wiltshire needs, to the standard that residents want, and give value for money. Our customers must be the starting point for our services so that we know that what we are providing is what they want and need.

#### **To ensure local, open and honest decision-making**

We want people to have a real say on decisions that affect them and their communities. They must be able to influence those decisions and be part of the decision making process. Our 18 community areas have been a success and we will build on that success.

#### **To work with our partners to support Wiltshire's communities**

We will work closely with our customers and communities to resolve issues and challenges. We will also work with the voluntary sector, businesses and other public organisations such as the NHS, the homes' and communities' agency, emergency services and the justice system. By doing so, we can be more effective and achieve so much more.

And so what do we have in the budget we are considering today to meet these intentions.

We start from knowing that the funding settlement means that we will receive a net £16.4 million less than last year. And yet with the savings we will make, we will, unlike most other authorities, make considerable investments in Wiltshire's future. We will invest over £8 million in the protection of vulnerable adults and children. We will put £1 million into the economy.

We will invest £2.5 million into our policy for waste management and recycling, over £1 million into energy efficiency, over £300 thousand into leisure facilities and over £300 thousand into providing high speed broadband to assist the business community.

In providing a net £3 million for inflation redundancies and reserves, we will be making a total investment in Wiltshire of some £18.8 million. So we have needed to find an additional £33.1 million to fund our ambitious and bold plans for investing in Wiltshire's future.

We are grateful to central government for recognising the difficulties all councils faced in such hard times to keep council tax low. We believe this is vital to the sustainability of our communities and intend to freeze council tax in 2011/12 and welcome the government's funding for this

But in order to protect those services, which our residents have told us, are the most important to them and to keep council tax rises to a minimum in the future, we have had to take a number of difficult decisions. I did not enter politics to make cuts and I am proud our proposals are not as drastic as you will have seen across other parts of the country. Nevertheless, to deliver a robust and sound budget we have had to put forward £33.1 million pounds of saving proposals. These include increasing a number of charges to the less vital of the services we provide. We will reduce the opening hours of our libraries but, unlike other councils, we will not close any. We will reduce the hours our leisure centres are open but have taken notice of the hours in which they are most used; and we will only close those that are little used.

Of course some charges are being raised above the current inflation rate but I believe they are not unduly burdensome. I know that residents will understand that in the present economic climate some discretionary services will have to cost more. This is the price we have to pay for 12 years of a labour government.

You will all have had the opportunity to study the administration's budget proposals in detail and I will not waste time in going over that detail. Unlike whatever proposals the opposition have in mind, we have made ours public for all to see, and comment upon, in line with our commitment to transparency.

It has not been an easy or comfortable year. The necessary reduction in the number of posts has meant losing so many staff that have given loyal and valuable service to the council and I have personally regretted having to say goodbye to many officers that I, and my Cabinet, have worked closely with and valued their expertise and commitment.

In many cases these redundancies have placed an additional burden on the remaining staff and they are due our most grateful thanks for the manner in which they have responded in the recent difficult months.

The Corporate Management Team have been magnificent in their commitment to see Wiltshire through these difficult years ahead and my grateful thanks are due to them all. I wish to add my particular thanks to Michael Hudson and his team for unravelling the complex messages and detail that have been received from government affecting our financial position and ability to fix a sound budget. It is to his, and his team's, credit that I can propose such a sound budget for the year ahead and one which I believe will maintain our front line services in better shape than other councils as well as provide significant investment in the future of our county and I commend it to the Council.

Jane Scott  
Leader, Wiltshire Council  
22 February 2011