

Wiltshire Council

**Cabinet
15 February 2012**

**Council
28 February 2012**

SPECIAL JOINT OVERVIEW AND SCRUTINY SELECT COMMITTEES

REPORT ON THE DRAFT 2012-13 BUDGET

Purpose of report

1. To feed back to Cabinet and Full Council a summary of the main issues discussed at the special joint meeting of the Overview & Scrutiny Select Committees held on 9 February 2012.

Background

2. To avoid a burdensome and bureaucratic model for undertaking scrutiny of the draft 2012/13 budget, the four select committees held a joint meeting, as has been the approach adopted in previous years. This provided an opportunity for non-executive councillors to question the Leader and Cabinet on the draft 2012/13 budget before it is considered at Cabinet on 15 February 2012 and Full Council on 28 February 2012.
3. Cllr Nigel Carter (Chairman of the Environment Select Committee) was elected as Chairman for the special joint meeting.
4. The Director of Finance explained the technical aspects of the budget report and Financial Plan 2012/13 and the budget-setting process. This included clarification that:
 - previous Cabinet decisions affecting the financial position in 2012/13 had been built into the base budget;
 - due diligence on the proposed budget had been carried out by the accountancy team, legal, equalities and HR, and the implications of changes to government policy, high inflation and borrowing rates had been taken into account;
 - the number of reports had been reduced from five to two – the Financial Plan 2012/13 (which now includes information on the Housing Revenue Account, schools, fees and charges and the capital programme) and a covering report from the Director of Finance which provides assurances that the budget is deliverable;
 - Appendices B (i) and B (ii) contain the same information and all the totals at the bottom of the columns are explained in the text of the Financial Plan 2012/13. Appendix B (i) is based on the Council's old structure to allow Councillors to compare the proposed 2012/13 budget with the 2011/12 budget. Appendix B (ii)

reflects the Council's new structure which is currently used in budget monitoring reports;

- there will be no increase in council tax in 2012/13 – Councillors should bear in mind that the annual figure of £1,222.43 for Band D council tax does not yet include police, fire service or parish precepts and the exact figure will vary across Wiltshire depending on the level of parish precepts; and
 - a balanced budget is expected by year-end for the financial year 2011/12.
5. The Leader of the Council provided a short explanation of the context and rationale for the budget proposals:
- the Council will continue to deliver the priorities agreed in the Business Plan 2011-15 – the Financial Plan has been updated for 2012/13 to reflect changes to the services the Council has to deliver; and
 - there will be no increase in council tax in 2012/13 for the third successive year because the Council is trying to do its best for people in Wiltshire.

Main issues raised

Overall budget

6. Wiltshire Council is in a strong financial position compared to neighbouring local authorities. Cabinet and the Director of Finance were commended for the way the budget proposals had been presented in the Financial Plan 2012/13.
7. However, Councillors felt the Financial Plan could be improved by:
- putting more emphasis on good news stories, such as the Council's success in selling services to academies;
 - ensuring the narrative highlights and explains big changes to service budgets, such as law and governance where the budget for 2012/13 has increased significantly from 2011/12, and development control where the budget for 2012/13 has decreased significantly from 2011/12; and
 - making sure the public understand that the Council is doing more for less by freezing council tax and spending more on frontline services to meet higher levels of demand.
8. Councillors questioned whether the Council's low level of reserves compared to other local authorities should be cause for concern. The Cabinet Member for Finance indicated that the level of reserves had been the subject of a rigorous risk assessment and highlighted the Council's strong track record in financial management.
9. Councillors questioned how a predicted overspend of £4m (predominantly from Community Services because of demand for adult care services) was managed down to £279,000 in the financial year 2011/12 and how overspend pressures will be managed in the future. The Cabinet Member for Finance highlighted the

transparency of Cabinet's decision making processes and indicated that more budget monitoring information on the 2011/12 budget will be available at Cabinet on 15 February.

Income

10. The sale of services to academies was highlighted as a big success story for the Council. It was reported that all academy schools in Wiltshire are currently purchasing services from the Council, and the Council has been trading services to Wiltshire schools since 1994. The aim is to continue to provide marketable services at a competitive price.
11. Councillors were keen to explore the possibility of applying the traded services model to other areas of Council activity. The Leader of the Council confirmed that officers are continually challenged to explore potential ways of generating income, whilst remembering the Council's proper role in the community. The Service Director for Business Services will prepare a report on traded services for the Organisation and Resources Select Committee.

Savings

12. Clarification was sought on the timescales and content of a proposed review of area board delivery models as part of a re-profiling of investment in the Big Society. The Cabinet Member indicated that events had overtaken the need for a review and that the Big Society will be achieved by changing the way the Council works and involving communities in decision making.
13. Concern was expressed about the impact of the proposed £4.8m of systems thinking savings from the 'Help to Live at Home' project on care for older people. Providers will need to be monitored effectively to ensure they maintain and improve the level of services for older people. The Cabinet Member gave assurances that the Council will work aggressively to monitor the quality of services and that providers will be removed if they do not deliver services to the expected standard. Help to Live at Home will feature in the scrutiny work programme for 2012/13.
14. It was agreed that scrutiny should have much better visibility of systems thinking reviews across the Council. The Cabinet Member referred to a recent report to the Transformation Board on systems thinking.
15. It was clarified that the £450,000 of savings to be achieved through the 11-19 Commissioning Strategy and £915,000 of savings to be achieved by the Integrated Youth Service are separate and the total savings from youth services will be £1.782m.
16. Savings from the Integrated Youth Service will come from a reduction in the Connexions careers advice service - responsibility for providing Information, Advice and Guidance had shifted to schools, but the Council will continue to fund a targeted careers service for vulnerable young people. Savings will also be made through a review of Youth Service management structures. The Leader of the Council gave assurances that no open access youth clubs would be closed and a briefing will be circulated providing more detail on the impact of these savings.

17. Councillors noted proposals to cut the Council's contribution to business rate relief for museums and galleries. Clarification was given that museums and galleries will still receive 75 percent business rate relief from central government.
18. The Council's capital grant allocation from central government to cover 'basic need' for school places will be reduced by £3.3m in 2012/13 (39 percent less than in 2011/12) because of a change in the way local authority entitlements are calculated. Representations have been made to government ministers and local MPs to challenge Wiltshire's allocation. The Council also has submitted a bid for capital funding for three Wiltshire schools under the new Priority Schools Building Programme (a government PFI scheme that has replaced the Building Schools for the Future programme).

Investments

19. Cabinet was commended for increasing investment in older people. However, Councillors sought assurance that the extra investment was based on robust projections of growth in the number of older people in Wiltshire. The Cabinet Member confirmed that due diligence had been carried out, the projections were based on the best statistics available and the accuracy of data was improving. A task group of the Health and Adult Social Care Select Committee has been looking at ways of improving the accuracy of data on older people.
20. Councillors expressed concern at the number of children being taken into care. The Cabinet Member confirmed that the Council has kept children's centres open and created a new family support service and learning resource centre aimed at reducing the number of children who need to remain in or be taken into residential care.
21. Councillors sought reassurance that appropriate investment would be made to reduce the attainment gap for children on Free School Meals (FSM) and children with Special Educational Needs (SEN). The attainment gap for children on FSM has narrowed considerably at both Key Stage 2 and Key Stage 4 as a result of targeted intervention work and improved pupil tracking. The Council will be following the progress of individual children in the lowest performing 20 percent to raise attainment.

Conclusion

22. Cabinet and Full Council are asked to take this summary of the issues raised at the joint scrutiny meeting into account when finalising the budget and council tax for 2012/13.

Cllr Nigel Carter
Chairman – Joint Overview & Scrutiny Select Committee

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