

FEEDBACK FROM THE SPECIAL MEETING OF THE
JOINT OVERVIEW & SCRUTINY TRANSITION BOARD (JOSTB)
ON THE DRAFT 2009-10 BUDGET

PURPOSE OF THE REPORT

1. To feedback to the County Council the main comments made and questions raised at the special meeting of the Joint Overview & Scrutiny Transition Board (JOSTB) held on 17 February 2009.

RECOMMENDATION TO COUNTY COUNCIL

2. To recommend to the County Council to take into account the main comments made and questions raised by members at the special meeting of the Joint Overview & Scrutiny Transition Board (JOSTB) as detailed in paragraphs 5-11 when determining the 2009-10 Budget and Council Tax.

BACKGROUND

3. Following a recommendation from the Budget Scrutiny Task Group in 2006, a joint scrutiny meeting was included the annual budget setting process as an opportunity for non-executive members to consider and comment on the executive's draft budget.
4. This year's joint scrutiny exercise was hosted by the Joint Overview & Scrutiny Transition Board (JOSTB) on 17 February. Using the Implementation Executive's budget recommendations to County Council and reports published during the budget setting process, all non-executive members of the five authorities were invited to raise questions and comments in relation to the departmental budget blocks and to other cross cutting issues.

FEEDBACK FROM THE SPECIAL MEETING OF THE JOSTB

5. Budget & Council Tax Setting Process 2009-10 – Executive Rationale

The Leader of the Implementation Executive (IE) presented the IE's budget recommendations to County Council and set out a number of the key considerations the executive had to take into account in recommending the budget proposal as follows:

- i. Consolidation of budgets of five authorities into one for Wiltshire Council;
- ii. Maintain current service levels, despite receiving the lowest increase in Government grant settlement nationally, and recommending a low council tax increase of 3.5%;
- iii. Protection of the levels of support for the voluntary sector;
- iv. Reflection of residents' priorities in the budget as identified from the various consultation exercises.

The Leader also reported that the One Council for Wiltshire savings for 2009-10 were confirmed as £8.565m, rather than the £6.63m originally anticipated, and that expenditure in the areas of highways maintenance and services for children and elderly people had been increased to reflect resident's priorities.

6. Department for Children & Education

In response to a number of members' questions and comments, the executive provided the following responses:

- (i) Funding for schools would be provided through the Dedicated Schools Grant and Wiltshire Council would provide no additional funding for schools in its first year due to an exceptionally tight budget.
- (ii) There had been an increase of children being referred into care and contingency was built in to the budget for looked-after children and child protection, and the in-house foster care service would be strengthened further to help minimise reliance on high-cost external residential placements.
- (iii) The bid for a fourth service director post in the directorate had been created in order to improve commissioning with partner organisations and overall performance and efficiency of the department. This would deliver savings in the long term.
- (iv) A sum of £7.25m was earmarked in the Capital Programme to contribute to the construction costs of new academy schools in Salisbury. As the Department for Children, Schools and Families (DCSF) would cover the main construction and running costs for these schools, this would be cost-neutral to the future budget for Wiltshire Council.
- (v) In response to questions in relation to teenage pregnancy and obesity, the Leader highlighted that it was envisaged that Area Boards would play a key role in both these and other LAA targets at a local level.

7. Department for Community Services

In response to a number of members' questions and comments, the executive provided the following responses:

- (i) An underspend had been achieved on the Supporting People budget which would be re-invested in other service areas. The Supporting People Grant for 2009-10 had decreased, however, the service had been reviewed and funding was sufficient. It was reiterated that the Development Services budget line included provision for community grants and projects but additional information on this would be provided following the meeting.
- (ii) The number of delayed transfers of care in the County was currently amongst the lowest in the South West which demonstrated the success of partnership working in the County. The recently established neighbourhood teams continued to work together with reablement

Teams towards enabling patients to be looked after in their homes rather than in hospitals.

- (iii) In a recent pilot project, personalised budgeting for older people were being explored. This pilot was still at an early stage in its development and following a review of its progress, decisions would be made on how to roll out this scheme across the County.
- (iv) The performance on enabling elderly people to continue to live in their own homes was anticipated to improve in the current year, and the voluntary sector was being actively engaged to meet this target.
- (v) The £1.15m staffing efficiencies listed at the top of Appendix F to report V of the budget booklet would be achieved through the “Focus Project”, the reduction of one finance officer and a simplified structure of the homecare/re-enablement service.
- (vi) The £200k decrease in the Community Safety budget line was due to the amalgamation of the previously separate district and County community safety teams. It did not represent a decrease in funding at the point of delivering.

8. Department for Transport, Environmental & Leisure

In response to a number of members’ questions and comments, the executive provided the following responses:

- (i) Due to the recent severe weather, the damage to roads across the County had increased but the funding for repairs had been covered. A new and more sustainable road surface had been trialled, the use of which was now extended across the whole County. The material was more cost-intense but also more resistant. Procedure cost had also been decreased due to a close working relationship with parish stewards.
- (ii) Provisions for waste disposal and collection would be harmonised in the new Council, including the realisation of potential savings, with a current focus on maintaining services.
- (iii) In a joint project, Wiltshire Council and the PCT would from 1 April jointly fund free swimming passes for the under 16s and the over 60s in addition to a government grant.
- (iv) The Travelwise service would continue to be funded from the department’s base budget, but there was no longer the need to employ a development officer for this service.

9. Department for Economic Development, Planning & Housing

In response to a number of members’ questions and comments, the executive provided the following responses:

- (i) The new economic development service had been set up and staff were in post with a budget provision of over £3m.

- (ii) Affordable housing projects in 2009-10 would be funded from any underspends from the district councils, the Homes & Communities Agency and through a number of PFI projects. The 2008-09 target for affordable housing had been exceeded. 500 affordable housing units had been provided in the current year but due to the difficulty in predicting the outcome of section 106 contributions, it was difficult to predict the number of units to be delivered in the next year.
- (iii) In the current economic climate, the demand for temporary accommodation and homelessness support was rising and building contractors were facing difficulties. This would have an impact on performance.
- (iv) The Salisbury Housing Revenue Account (HRA) 30 Year Business Plan, including its financial implications for Wiltshire Council, was currently under review and would be developed within the next six months. This would be influenced by the Government's national review of the HRA subsidy system.
- (v) The majority of funding for a unified IT system for the department would come from an ear-marked Planning Delivery Grant reserve. Additional information on this would be provided following the meeting.
- (vi) The majority of staff had received confirmation of their roles within the Housing Directorate and the structure contained more posts than current number of housing officers.
- (vii) The impact of the £200k efficiency savings achieved by the Housing Directorate moving to One Council had been significantly reduced by an accounting adjustment to fund staff from the 2009-10 revenue budget, which had previously been resourced through capital budgets in the districts.

10. Department of Resources & Chief Executive

In response to a number of members' questions and comments, the executive provided the following responses:

- (i) The Leader reported that membership of the Local Government Association (LGA) and also the County Councils' Network would be ceased in the first year of Wiltshire Council due to the cost involved and levels of support received from the LGA.
- (ii) Work was ongoing in the area of telephony, especially within the Bourne Hill project, including funding.
- (iii) The completion of the Property Strategy was deferred as more work had been required to gather information from district councils in terms of a list of assets and figures. The consultants were currently pulling together data on this and would produce a report. Any savings identified would be additional to the One Council for Wiltshire savings as this area had not been incorporated into the original bid. An update

report on the Property Strategy would be considered by JOSTB on 27 February.

- (iv) The increase in the budget for the legal department was due to changes in the procedure of providing legal advice. Additional information on this would be provided following the meeting.
- (v) As a consequence of the economic downturn, the Council would see a reduction of approximately £3m in investment income in 2009-10. Despite falling interest rates, the cost of the Council's borrowing, being mainly long-term borrowing, remained at 4.45%. Also, with the Council being a floor authority, its grant settlement for 2009-10 did not contain provision for capital borrowing. Therefore this would be funded from the council tax increase.
- (vi) Government advised that the loss of funds in the Icelandic banks should not be taken into account in local authority budgets in 2009-10. It was anticipated that funds could be recovered in the future, but the interest earned on those funds would be lost.

11. Major Projects & Cross Cutting Areas

In response to a number of members' questions and comments, the executive provided the following responses:

- (i) In relation to the risks connected with the robustness of estimates and adequacy of reserves, the general reserve included provision to mitigate currently unforeseen risks or cost pressures in 2009-10.
- (ii) The Chief Financial Officer highlighted that risks were associated with a number of services where staff, financial support and operations were not going to merge until 2009-10.
- (iii) Scrutiny in the new Council would carefully monitor how the £4m from the general reserve and other one-off funding, including One Council for Wiltshire savings from 2010-11, would be used in 2009-10.

CONCLUSION

- 12. County Council is requested to take into account this summary of the main points made at the special meeting of the JOSTB when determining the budget and council tax for 2009-10

Tony Molland
Chairman – Joint Overview & Scrutiny Transition Board