

13 February 2001

SUMMARY OF KEY ISSUES FOR DECISION

Introduction

1. For some years, I have produced a number of reports for the January meeting of the Policy and Resources Committee on the revenue and capital budgets.
2. This year, for the reasons set out in my letter of 27 December 2000, the reports are being presented directly to the County Council.
3. The intention behind a number of reports is to break the information and issues into a number of bite-sized chunks, rather than an indigestible mass. However, there are some issues which cross report boundaries and this report provides an overview of the major issues upon which the Council is required to decide.

Where are we now?

4. On the revenue budget, a plan was approved in September and changes were made at the Policy and Resources Committee on 16 January 2001, increasing committee allocations for 2001-02 to:

	£ million
• Education	185.540
• Environment and Transport	39.673
• Policy and Resources	10.080
• Social Services	<u>66.897</u>
• Total	<u>302.190</u>

5. In my report in January to the Policy and Resources Committee, based on provisional information, I indicated that:
 - (a) A council tax increase of 8% and above might attract the interest of the Secretary of State
 - (b) A council tax increase of 7.9% would allow:
 - (i) a further £2.5 million to relieve service pressures, and
 - (ii) a contribution to balances of just over £1 million.
6. The final grant settlement showed an improvement of £0.3 million, attributable mainly to funding for the credit approvals to support the Local Transport Plan.
7. On the capital budget, the report shows the resources available, both corporate and earmarked, and the officers' recommendations for schemes to proceed.

What are the issues?

8. This section moves forward from the decisions of Policy and Resources Committee in January.
9. From the District Auditor's Management Letter on the 1999-2000 accounts, the deliverability of services within budget and the risks to and adequacy of balances is particularly important this year. From my review, I am recommending that the budget makes provision for a contribution of £1.25 million in 2001-02 and that capital resources of £0.85 million are frozen until the final cost of WDS in 2001-02 is known.

10. Across all services, it is important that the Council approves a budget that it believes can be delivered. A number of factors could frustrate this, including legal challenge and political indecision.
11. On service issues, the following points are covered in the reports:
- (a) Education spending is currently below the education SSA, partly through apparent changes in the balance of the Education Committee's budget. This issue has been referred to the Education Committee for consideration.
 - (b) The additional resources granted to the Environment and Transport Committee by Policy and Resources Committee should secure the Government funding under the Local Transport Plan Settlement.
 - (c) To meet pressures on the Coroner's Budget, I have recommended a further allocation of £60,000.
 - (d) No provision has been made to implement the recommendations by INLOGOV to improve the scrutiny function.
 - (e) The increase in credit approvals, particularly for the Local Transport Plan, has increased the Revenue Support Grant, but the cost of financing has reduced the amount available to fund the capital programme from revenue by £0.2 million.
 - (f) I have recommended a minimum additional allocation to social services of £2 million.

Conclusion

12. The Council needs to consider the points in this report and the recommendations at the end of each individual report to arrive at a full budget resolution.
13. To assist the framing of such a resolution, I have set out the key elements on the Appendix. Illustrative figures are shown in *italic*, based on the "maximum" column from Appendix B to the report "Financing the Budget Requirement".

DAVID CHALKER
County Treasurer

Unpublished documents relied upon in the production of this report: *NONE*

Environmental impact of these proposals: *NONE*

COUNTY COUNCIL BUDGET – FRAMEWORK RESOLUTION

1. To agree that:
 - (a) the net projected over-spendings, currently projected at £1.949 million, will be rolled forward and met from the budgets approved for 2001-02;
 - (b) the capital programme for 2001-02, covering projects funded from corporate and earmarked resources, will be as set out on Appendix 1 to these minutes;
 - (c) grants to village halls will be transferred to the Education revenue budget after 2001-02, with funding of £50,000 from capital financing;
 - (d) Revenue Support Grant attributable to new credit approvals should be earmarked to capital financing costs, from (2001-02 or 2002-03);
 - (e) the revenue budget requirement for 2001-02 will be £306.340 million, as set out and allocated in Appendix 2 to these minutes;
 - (f) the precept will be £113.063 million (£112.443 million for County Council spending and an additional £0.620 million for the Council Tax Benefit Limitation Scheme);
 - (g) the council tax for 2001-02 will increase by 7.9%; and
 - (h) the charge for County Council services for each property band will be as follows:

Band A	£ 461.64
Band B	£ 538.57
Band C	£ 615.51
Band D	£ 692.45
Band E	£ 846.33
Band F	£ 1,000.20
Band G	£ 1,154.09
Band H	£ 1,384.90
2. To authorise the County Treasurer to issue the necessary precepts upon the Collection Funds of the District Councils in the County, and to make the sums due under such precepts payable by instalments on dates agreed by the County Treasurer with the District Council Treasurers.
3. To authorise the Chief Executive and the County Treasurer to release capital projects in priority order from the reserve list, as additional resources become available;
4. To authorise the Policy & Resources Committee to borrow such sums and to utilise capital receipts for those capital schemes in the capital budget as the Committee may determine.
5. To authorise the County Treasurer to pay out of County Funds sums for:
 - (i) all accounts and debts due by the Council forming the Council's net revenue and capital expenditure, approved by the Council at its Budget meeting and such changes as are subsequently approved by the Policy & Resources Committee;
 - (ii) the cost of capital projects funded from developer contributions, or other earmarked resources where the project cost is less than £100,000, and projects in the approved capital programme which are funded partly by matched funding provisions;
 - (iii) the repayment of loans raised by the County Council which fall to be repaid;
 - (iv) housing advances, car loans and such other loans made by the County Council as may be approved;
 - (v) amounts recoverable as income in accordance with approved policies; and,
 - (vi) all debts and liabilities of the Wiltshire Pension Fund and such Trust and other funds as are vested in the County Council.