

Wiltshire Council

Financial Plan 2011 - 2015

Revised version with tracked changes



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Wiltshire Council
Where everybody matters

Introduction

This document is an overview of our financial planning for the next four years. It underpins our business plan, which sets out our plans to invest in Wiltshire for the future and protect the most vulnerable members of our communities, whilst managing the budgetary challenges we face as a consequence of the government's Comprehensive Spending Review.

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Current financial position 2010/11

2010/11 Budget monitoring - forecast

The budget for 2010/11 has been regularly reported to cabinet during the financial year.

The budget has seen several challenges during the year, most notably around the this year's budget cuts as a result of the Coalition Government's emergency budget announced in June 2010, and on-going demand pressures for our community services. This resulted in £21 million net of grant monies from our budget that we had to find in that year on top of the challenges we face in 2011/12.

In addition, to ensure full year savings are achieved in our 2011/12 budget, we are also meeting exceptional severance costs associated with the management review in 2010/11. To help offset some of this expenditure, we applied to the Secretary of State, and subsequently received approval to fund £1.4 million of these costs from our capital budget. The remaining balance will be funded from a one-off release from our provisions and reserves in 2010/11. This was approved by Full Council on 10 November 2010.

The most current budget monitoring shows a potential overspend that reflects a one-off budget provision in January 2011 for an ongoing contractual dispute. An assessment on the impact of the current forecast balanced position for 2011/12 and the effect of our use of one-off provisions and reserves to fund the exceptional costs are covered in detail in Section 8 of this plan under the Section 151 Officer's assessment on the robustness of our budget proposals and level of reserves. This projects a 'General Fund' reserve around £11 million at 31 March 2011.

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Budget setting process

The cabinet approved a Medium Term Financial Plan (MTFP) in April 2010. The plan assumed the basis of a worst case scenario of a reduction in our formula grant from central government of 5% per year. After taking into account the savings we would need to find and the pressures we face, this would result in a shortfall of £9 million in 2011/12.

Following the general election in May 2010, the new Coalition Government made one of its top priorities to balance the UK economy and reduce the national deficit – resulting in massive changes in local government funding. This culminated in new funding settlements for Local Authorities (LAs) following the Comprehensive Spending Review (CSR) announced in October 2010. In planning and anticipating the need to address the financial challenges we faced, in summer 2010 we started work on a 4 year business plan. Our focus was not just to save money, but to ensure that the future resilience of communities and businesses in Wiltshire were protected, and that decisions we make now would not harm the future quality of life for local people. Key to this was the investment needed to protect the most vulnerable in our communities.

The key areas for savings are;

Procurement - how we improve our purchasing and commissioning of goods and services. The responsibility is with a procurement and commissioning board, chaired by our director of resources. Opportunity assessments will be used on specific and forthcoming contractual and commissioning spend to identify the scope of potential future savings.

Management review – service directors produced revised structures in their service area with the specific aim of reducing the number of management layers to deliver significant revenue savings of £8 million in management costs.

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Service reviews – were carried out by directors in all services to deliver 12% reduction in their net budget, in addition to savings already identified in other others – such as procurement and management review. Opportunities to harmonise working practices and service provision as well removing wasteful processes were looked into.

The proposals for the management and service reviews were considered by the corporate leadership team, in liaison with cabinet, to consider their robustness and acceptability. All investment plans and savings proposals were considered pending the government settlement announcement in December 2010. Following the announcement, the savings and future investment plans were planned to ensure a balanced budget for 2011/12, as well as the scoping the investment needs and savings for a further three years to 2015.

In considering the proposals, cabinet took into account previous resident surveys and customer demands in planning the areas for investment and saving. In addition, the People’s Voice in November 2010 identified no change in priority areas. Budget consultation forums held in January 2011 across the county set out the future proposed plans for Wiltshire 2011/12 and the next four years. Attendees were asked for their views on the areas for investment and savings and whether they considered we had the balance right. Their feedback is set out in the next section.

This document sets out a summary and outcome of the process and proposes a four year financial plan with a council tax freeze in 2011/12, and indicative rates for 2012/15 of 0%, 2.5% and 2.5% for each respective year.

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Feedback from residents

We actively seek feedback and views from our local residents and stakeholders. This intelligence helps us to make sure that we are focussing on the key issues and providing the best possible services. Our future plan takes into account the priorities identified by local people.

We use the People's Voice – a representative citizen's panel - to collect views. The panel is made up of 3,660 Wiltshire residents who are sent a questionnaire three times a year, asking questions on services provided by us and other partner organisations. In November 2010, the survey asked questions on spending priorities for our services in the context of setting the 2011-12 budget. This has been supplemented by budget consultation forums with key stakeholders such as local businesses, to also identify priorities. The priorities are;

Top four areas residents want more spend on	Percentage of people who replied who wanted more spend
1. Maintenance of existing roads	67%
2. Adult social care services for older people	42%
3. Adult social care for people with disabilities	37%
4. Community Safety and anti-social behaviour	35%

This is the third successive year we have used the People's Voice to collect views in setting our budget. When compared to previous years it can be seen that the outcome of the 2010 consultation is in line and that the top four priority areas residents want more money spending on remains unchanged.

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Top four areas residents want more spending on	Percentage of people who replied who wanted more spend	
	2008	2009
1. Maintenance of existing roads	71%	71%
2. Adult social care services for older people	49%	47%
3. Adult social care for people with disabilities	37%	37%
4. Community Safety and anti-social behaviour	39%	36%

Our proposals - set out in this plan - take these views into account.

Adult social care - we are planning to invest over £17 million of additional resources into adult social care by 2014-15. In cash terms for the 4 years this equals £52 million. By investing this amount we plan to meet the increasing demand forecast on these services. We also will be working with our health partners to improve health outcomes for this group of residents with the aim of helping people to live well for longer.

Roads - in 2011-12 roads 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 can do more with the same budget. A systems thinking review recently carried out on roads maintenance identified more responsive repair processes that has resulted in more 'pot holes' being filled quicker and for less money.

Furthermore, by utilising innovative technology and new materials we can improve the quality and cost of **highways** maintenance. Specifically, in terms of highways – the revenue budget will decrease by £252,000 – from a total budget of £4.336 million to £4.084 million – although performance will improve as a result of the efficiency measures referred to above. The capital budget will increase by £669,000 – from a total budget of £11.541 million to £12.210 million. The overall increased spend on highways is £417,000.

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Community safety and anti-social behaviour - although this service will see a reduction in the funding for its community safety partnership activities, we continue to see this as an important area of community work. A recent strategic assessment has identified a number of priorities within anti-social behaviour and investment funding of £244,000 will be targeted at delivering outcomes against these priorities.

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Impact of national settlement

Our draft budget has been prepared against the backdrop of significant budget reductions nationally by the Coalition Government. The Comprehensive Spending Review (CSR) was published on 20 October 2010 and set out its spending proposals for the next 4 years. Overall this will result in a 19% reduction in public spending and, with protection provided for services such as health and international development, entails a 28% reduction in local authority funding nationally.

The CSR also included a reduction in the number of specific grant regimes and removed ring fencing from most of the remaining grants. Additional grant funding was announced to support:

- adult social care (including resources to be accessed jointly by Local Authorities and the NHS) and we are in negotiations with the local PCT over how we can both best direct this money to provide better health outcomes for the people of Wiltshire; and,
- support for internal restructuring allowing the capitalisation of redundancy costs. Following our application, we have been notified that we will receive a direction to capitalise £1.4m of expected costs.
- The financial settlement and announcement of specific grant allocations were announced on 13 December 2010. For next years
- budget 2011-12, this means:
- The number of specific grants has been reduced significantly with some now included in formula grant (e.g. supporting people) others rolled up into new specific grants (e.g. sure start into early intervention) or ended completely (a number of area based grants)

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- Formula Grant – the major grant received from government has reduced from an adjusted position of £121.577million in 2010-11 to £101.931 million in 2011/12 – a reduction of 16.2%.
- Through the introduction of a new Transitional Grant the government has ensured that no council faces a reduction of more than 14.3% in its settlement in 2011-12. Wiltshire has been awarded an additional one-off £2.261 million of Transitional Grant to bring the loss of formula grant down from 16.2% to the “floor level” of 14.3%.
- The government will also provide funding equivalent to a 2.5% increase in Council Tax to councils that agree to freeze Council Tax levels for 2011/12. For Wiltshire this means a grant of £5.476 million.

The overall two year funding settlement for 2011-13 was broadly in line with the proposals outlined in the CSR and provides a major challenge to us in 2011-13. This is mainly as a result of the reductions being front loaded. In addition to the grant reductions outlined above we also need to reflect on the spending priorities and to fund other pressures including the cost of redundancies. Over the next 4 years the following level of government funding, compared to the current year, has been assumed as follows:

	2010/11 adjusted £ million	2011/12 £ million	2012/13 £ million	2013/14 £ million	2014/15 £ million
Formula grant	121.577	104.192	92.715	89.006	85.446
Specific grants	45.004	30.486	28.709	23.974	22.775
Total	166.581	134.678	121.424	112.980	108.221
Change from the previous year	-	(31.903)	(13.254)	(8.444)	(4.759)

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Invest in the future – funding our priorities

We are taking a robust, ambitious and realistic approach to managing the challenges we face over the next four years. These challenges include a reduction in government grants at a time when we need to invest in local priorities. Some things are bigger or longer term than individual communities can be expected to achieve, and some people need particular support and protection. As well as helping communities to help themselves, we are setting aside money to protect vulnerable people, to invest in priorities for Wiltshire and to keep the council tax low so people have more choice about where to spend their money. Our financial plan focuses on:

- **Protecting and safeguarding vulnerable adults and children** and meet cost pressures as a result of changes such as the growth in the ageing population and younger people, which both need to be cared for. 11% of children and young people in Wiltshire are considered to be living in poverty. We will also take action to mitigate the potential impact that job losses will have on Wiltshire.
- **Investing in priority services** – roads, waste collection and disposal; leisure; children’s attainment; economy and broadband; energy efficiency; housing and helping communities to help themselves.
- **Making savings** - to allow us to protect and invest and to absorb the cuts in government grant funding and meet unavoidable cost pressures.

Our intent is to maintain the level of other important services such as anti-social behaviour reduction, alcohol services, and “aiming high” for disabled children.

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Protecting and Safeguarding Vulnerable Adults – in the last three years Wiltshire has seen a 9% increase in the number of people receiving a service, many with more complex needs. This is placing pressure on the adult social care budget. We need to adjust the baseline budget to reflect the historical increased growth for the service and to provide financial resources to manage the increased demand as a result of demographic growth and increasing costs as a result of policy changes.

Estimates of the demographic change have been revised since the 2010/11 budget was set. The older population is now estimated to grow by 14% between 2011 and 2015 and the population of those with the highest rate of need for formal social care services will increase by 12%.

This situation has been resolved in 2010-11 by a one-off contribution from reserves, and looking forward this plan seeks to correct this by increasing the base budget by £4.4 million in 2011-12. We want to ensure that no under provision arises that requires further one-off fixing due to un-budgeted increases in demand. We have, therefore, taken into account the reviews of the patterns of demographic change that predict an increase is set to continue over the next four years. Aligned to this is the desire to enable service users to have greater choice through access to personal budgets. To protect and safeguard vulnerable adults we are proposing to invest the following over the next four years;

Annual change in base budgets	2011/12 £ million	2012/13 £ million	2013/14 £ million	2014/15 £ million	Base budget uplift by 2014-15 £ million	Total cash invested over the 4 years £ million
Change of the base budget	4.400	-	-	-	4.400	17.600
Growth in population and needs	3.426	4.421	2.333	2.860	13.040	34.493
Total	7.826	4.421	2.333	2.860	17.440	52.093

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The money will be invested across services for older people, and adults with a learning disability, physical impairment or mental health problem, to provide social care services that will help them to live as independent lives as possible.

This will be achieved through increasing services that help people to live in their own homes, through extra care housing options, through improved and wider re-ablement services (in partnership with the NHS in Wiltshire) and by providing people with direct payments and personal budgets so that they can make the choices they want for their lives.

Protecting and safeguarding vulnerable children - The number of looked-after children has continued to increase, rising from 313 in 2006 to 371 in 2010. This is due to a multiplicity of factors and is echoed across the country as all local authorities respond to the pressures and demands of homelessness, the increase in vulnerable adolescents and the increase in child protection referrals.

We have responded to these pressures by developing an in-house fostering provision, recruiting local carers and expanding schemes such as supported lodgings and semi-independent accommodation for vulnerable teenagers. Our service needs to continue to expand to meet the increase in numbers; dedicated foster carers are needed for unaccompanied asylum seekers, disabled children, those requiring respite and vulnerable teenagers. In 2010/11, there was a significant increase in the levels of service needed and this led to a shortfall in the budget - this deficit needs addressing to respond to these needs. Our family placement service also needs to strengthen its post adoption support to meet the needs of those young people who have been adopted with complex health needs due to maternal drug and alcohol misuse and parental health issues. A range of strategies are being put in place to both reduce the need for high cost external placements and take preventative action. One part of that plan is to develop a small in-house short term residential crisis resource to provide a safe environment for young people whilst assessment of needs are undertaken to better inform placement decisions to keep them in Wiltshire and reduce expensive out of county placements which are often detrimental to a young person's well being. These measures will require an initial £675,000 in 2011-12, plus a further investment of £650,000 each year from 2012-13, to bring the uplift in base by year four to £1.325 million as follows:

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Annual change in base budgets	2011/12 £ million	2012/13 £ million	2013/14 £ million	2014/15 £ million	Base budget uplift by 2014-15 £ million	Total cash invested over the 4 years £ million
Total	0.675	0.650	-	-	1.325	4.650

Protecting the economy – the global economic downturn has affected all parts of the country, and within Wiltshire there has been an increase in unemployment greater than the national average. A large part of this is derived from Wiltshire’s geography and infrastructure, as well as the types of economy within the area – most particularly the high dependency on public sector employment that is currently undergoing significant reduction in funding. A new business development programme will seek to build greater economic resilience through developing broader sector mixes and employment bases – with a focus on increasing private sector employers. This will be driven by a business location of choice programme that will improve infrastructure, regenerate sites and utilise public sector assets.

Annual change in base budgets	2011/12 £ million	2012/13 £ million	2013/14 £ million	2014/15 £ million	Base budget uplift by 2014-15 £ million	Total cash invested over the 4 years £ million
Supporting economic growth	1.000	-	-	-	1.000	4.000

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Investment in waste and recycling - one of our key priorities is to divert waste from landfill to reduce the local and global environmental impact and, in the medium to long term, secure significant cost savings for residents through the reduction in payment of Landfill Tax. In addition, there is a need to harmonise waste collection and recycling arrangements to provide a consistent service across Wiltshire. Significant progress has been made, with the proportion of waste sent to landfill reduced to less than half for the first time during 2009/10. The council's target is to reduce land filled waste to less than 25% of the total collected by 2014.

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%.

The council has a contract for delivery of 50,000 tonnes per year of waste to the Lakeside energy from 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 landfill waste 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. The investment will be in new equipment and recycling plants over the next four years. We will do this by funding £8 million of capital through borrowing, the revenue consequences of this, and the increase in landfill tax, collection services and MBT in 2012/13 has been forecast as;

Annual change in base budgets	2011/12 £ million	2012/13 £ million	2013/14 £ million	2014/15 £ million	Base budget uplift by 2014-15 £ million	Total cash invested over the 4 years £ million
Investing in continually improving recycling and collection and reducing waste to landfill	2.500	2.763	2.443	(0.089)	9.512	23.086
Total	2.500	2.763	2.443	(0.089)	9.512	23.086

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Investment in broadband – high performance internet access is becoming an increasingly important factor for people in Wiltshire.

Good digital literacy skills and access to technology and connectivity will allow citizens to benefit economically, socially and educationally, for example access to e-learning, saving money through shopping and paying bills on-line and for businesses developing the use of online communications, publicity and sales.

There is both a national and local imperative to develop broadband connectivity so that Wiltshire can successfully compete within the region, supporting social educational and business developments through the use of this technology. It is particularly important that we are able to attract business to Wiltshire to support economic development and the creation of jobs. Wiltshire has a large number of small and medium sized businesses and an improved broadband infrastructure is particularly important in this context

We have been collecting data from the industry, local communities and businesses regarding existing provision and the demand for broadband and this analysis and through investment and partnerships we want to introduce super-fast broadband in remote and populated areas. Our target is that by 2014-15 at least 85% of premises will receive this service. To fund this we have identified £2.9 million for the next 4 years to fund prudential borrowing that will fund around £12 million of capital works over the same period. If further funding is available it is expected this could rise to 95%.

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Annual change in base budgets	2011/12 £ million	2012/13 £ million	2013/14 £ million	2014/15 £ million	Base budget uplift by 2014-15 £ million	Total cash invested over the 4 years £ million
Investing in Broadband	0.323	0.295	0.282	0.167	1.067	2.908

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Investment in energy efficiency – we spent £14m on energy and transport in 2009/10, with an associated carbon footprint of 66,000 tonnes of CO₂. We have set a target to reduce our carbon footprint by 20% by 2013/14 (11,823 tCO₂). The Carbon Reduction Commitment means that for every tonne of carbon emitted from our buildings and streetlights we will have to pay £12 in 2011/12 and 2012/12; £16 in 2013/14 and increasing amounts thereafter. If we do not continue to invest our tax burden will be higher.

During 2010/11, £0.5m was allocated in the capital programme and £0.7m was secured as a 0% government loan. This 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 our leisure centres. The Salisbury 5 Rivers Combined Heat and Power plant cost £176,000 (funded by a 0% loan), and will payback within 5 years and save 6% of emissions from council run leisure centres in Wiltshire. In total the £1.2m invested in 2010/11 will save £275,000 per year on energy bills, or a total of £1.37m over 5 years.

It had been assumed that the new carbon tax would allow proactive councils such as ours to recoup monies from the carbon credit trading scheme, however in the 2011-13 funding settlement the government announced that it would be reversing this decision and clawing back all tax. For us this has an impact of around £600,000 per annum each of the next four years. It is expected that a new national scheme to improve energy efficiency will be announced shortly, however at this stage without such details no new funding has been brought into the budget.

Annual change in base budgets	2011/12 £ million	2012/13 £ million	2013/14 £ million	2014/15 £ million	Base budget uplift by 2014-15 £ million	Total cash invested over the 4 years £ million
Efficiency programme	0.500	-	-	-	0.500	2.000
Carbon tax	0.600	-	0.100	0.100	0.800	2.700
Total	1.100	-	0.100	0.100	1.300	4.700

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Investment in leisure - the indoor leisure facility stock that we inherited as a result of creating the new unitary council is broadly outdated, inefficient and unsustainable. The proposals will enable the council to deliver a sustainable, cost effective, high quality, indoor leisure facility service that is part of a wider service campus delivery project.

The campus project will be responsible for the delivery of fewer, more efficient and strategically 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.

To fund the developments proposed and deliver the longer term strategy set out in the our business plan, the following funding has been identified to pump prime the necessary capital investment - the results of this are reflected in the Capital Programme proposals;

Annual change in base budgets	2011/12 £ million	2012/13 £ million	2013/14 £ million	2014/15 £ million	Base budget uplift by 2014-15 £ million	Total cash invested over the 4 years £ million
Total	0.316	0.550	0.628	0.293	1.787	4.463

Investment in housing – Affordable Housing is 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. Therefore, it is no surprise that we have a 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. Wiltshire has an impressive record of creatively delivering new affordable homes. However our delivery always falls short of a massive need.

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So at a time when it is increasingly difficult to deliver affordable homes through conventional routes, there is significant reassurance that Wiltshire is on the threshold of delivering the only affordable Housing PFI scheme in the South West.

We will also be working with partners to secure more developments to increase this number further. In addition, as part of the Older People's Accommodation Strategy longer term investment within the Business Plan there will be more capital funds provided, potentially through PFI, to improve our dementia care and re-enablement to help people live in their own homes for longer.

Investment in children's attainment – Improving life chances for children and young people is an important goal for individuals and for Wiltshire's and the nation's economy. We know that around 11% of children and young people in Wiltshire are considered to be living in poverty. We want all schools to be outstanding or at least good, whether they are academies or maintained schools, by increasing the breadth and depth of educational provision to enable pupils to fulfil their potential. Raising standards, improving the attainment and progress of pupils' learning and narrowing gaps for vulnerable children and young people remain vital goals. Improving pupils' self confidence, raising their aspirations, belief in their own abilities and well-being are crucial parts in this quest. We have a key strategic role to champion children and parents, vulnerable pupils and educational excellence. We also have a role in brokering effective school-to-school support. The gaps in attainment between vulnerable children and young people (eg children with SEN, children from service families and looked after children) and all other children remain too large despite some recent improvements.

We will invest in;

- Developing and implementing a system to broker school-to-school support, ensuring that there is no detrimental impact in those schools providing support to others
- Building capacity, resilience and sustainability in schools, working with their local communities, where there are particular vulnerabilities, eg schools with a high percentage of children from service families

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- Investing in the provision of support to enable schools to better identify, plan for and meet the needs of vulnerable groups in order to raise attainment. We will challenge and support all schools to be achieving in line with our best performing schools.

Annual change in base budgets	2011/12 £ million	2012/13 £ million	2013/14 £ million	2014/15 £ million	Base budget uplift by 2014-15 £ million	Total cash invested over the 4 years £ million
Total	0.270	0.730	-	-	1.000	3.270

Investment in Big Society – We have a long track record of investing in our communities through grants, new ways of doing things with the area boards and in supporting community area partnerships. This further investment is about supporting the delivery -shared by our partners – to deliver our vision to build strong and resilient communities. The investment is also linked to what we want to achieve in terms of the Big Society and localism in Wiltshire.

Annual change in base budgets	2011/12 £ million	2012/13 £ million	2013/14 £ million	2014/15 £ million	Base budget uplift by 2014-15 £ million	Total cash invested over the 4 years £ million
Total	0.200	0.800	-	-	1.000	3.200

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Maintaining an effective business

This plan highlights the need for £4.4 million of additional funding for our Adult Care services to correct our base budget assumptions which go back a number of years. In addition, a number of services have seen previous income targets that were uplifted based on money coming in during times of prosperity fall due to the economic downturn, most notably in development services. As the economic climate shows only small signs of an upturn we need to ensure that all our services have realistic targets in order to assess their trading performance in any given year. As such, there is a need to correct these previously over-estimated income targets. That means a net change of £923,000 in 2011-12 for these services. A further £187,000 has been identified for public health work to bring part of this service into the council – working with the Primary Care Trust. Budget monitoring in 2010-11 has also identified a shortfall in our property services budgets following the move to one council. Whilst this is being managed in 2010-11 and in 2011-12, this is a short term solution to manage repair and maintenance costs in the context of the Workplace Transformation Programme which will result in a major reduction in the number of our buildings. There is a need to recognise the life costs of the buildings that will remain and it is forecast that by 2012-13 this will require an additional £1m in the base budget.

In addition, we need to provide for:

- an annual increase of circa £5 million for pay and procurement inflation totalling nearly £50 million across the four years;
- £19 million over the next four years (£4 million in 2011-12) to fund the costs of redundancies; and,
- the costs of maintaining reserves.

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By 2014-15 this is all forecast to require a net uplift in the annual base budget in real terms of £37.362 million. Without this we will fail to properly account for our cost base and will not be able to make informed decisions around our spend.

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Annual change in base budgets	2011/12 £ million	2012/13 £ million	2013/14 £ million	2014/15 £ million	Base budget uplift by 2014-15 £ million	Total cash invested over the 4 years £ million
- Providing for a robust base budget <i>(excluding adult care adjustment noted above)</i>	1.110	1.000	-	-	2.110	7.440
- Recognising and providing for inflation	5.090	2.277	7.133	8.100	22.600	49.557
- Recognising and providing for redundancy costs	4.000	1.000	-	-	5.000	19.000
- Net movement in capital financing and general fund reserves	(5.721)	8.311	4.891	0.171	7.652	12.002
Sub Total	4.479	12.588	12.024	8.271	37.362	87.999

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Summary of how we plan to invest in protecting Wiltshire's future

Overall we are proposing to invest £190.350 million cumulatively over the next 4 years. The financial plan also includes the following adjustments to the base budget over that period.

Area of investment	Annual investment in the base budget				Total invested over the 4 years £ million
	2011/12 £ million	2012/13 £ million	2013/14 £ million	2014/15 £ million	
1. Protecting the vulnerable					
- Children	0.675	0.650	-	-	4.650
- Adults (including base budget adjustment)	7.826	4.421	2.333	2.860	52.093
- The Economy	1.000	-	-	-	4.000
Sub Total	9.501	5.071	2.333	2.860	60.743
2. Investing in the future of our communities and priority services					
- Waste Management & Recycling	2.500	2.763	2.443	(0.089)	23.086
- Broadband	0.323	0.295	0.282	0.167	2.908
- Energy efficiency	1.100	-	0.100	0.100	4.700
- Leisure	0.316	0.550	0.628	0.293	4.463
- Housing	0.084	-	(0.180)	0.005	(0.019)
- Children's attainment	0.270	0.730	-	-	3.270
- Big Society	0.200	0.800	-	-	3.200
Sub Total	4.793	5.138	3.273	0.476	41.608
3. Maintaining an effective business					
- Providing for a robust base budget (excluding adult care adjustment noted above)	1.110	1.000	-	-	7.440
- Providing for inflation, redundancy and reserves	3.369	11.588	12.024	8.271	80.559
Sub Total	4.479	12.588	12.024	8.271	87.999
TOTAL INVESTMENT IN WILTSHIRE	18.773	22.797	17.630	11.607	190.350

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Balancing the General Fund

The following pages provide more detail on the remaining savings proposals, and how the council will continue to fund critical activities. This is organised into the six themes –

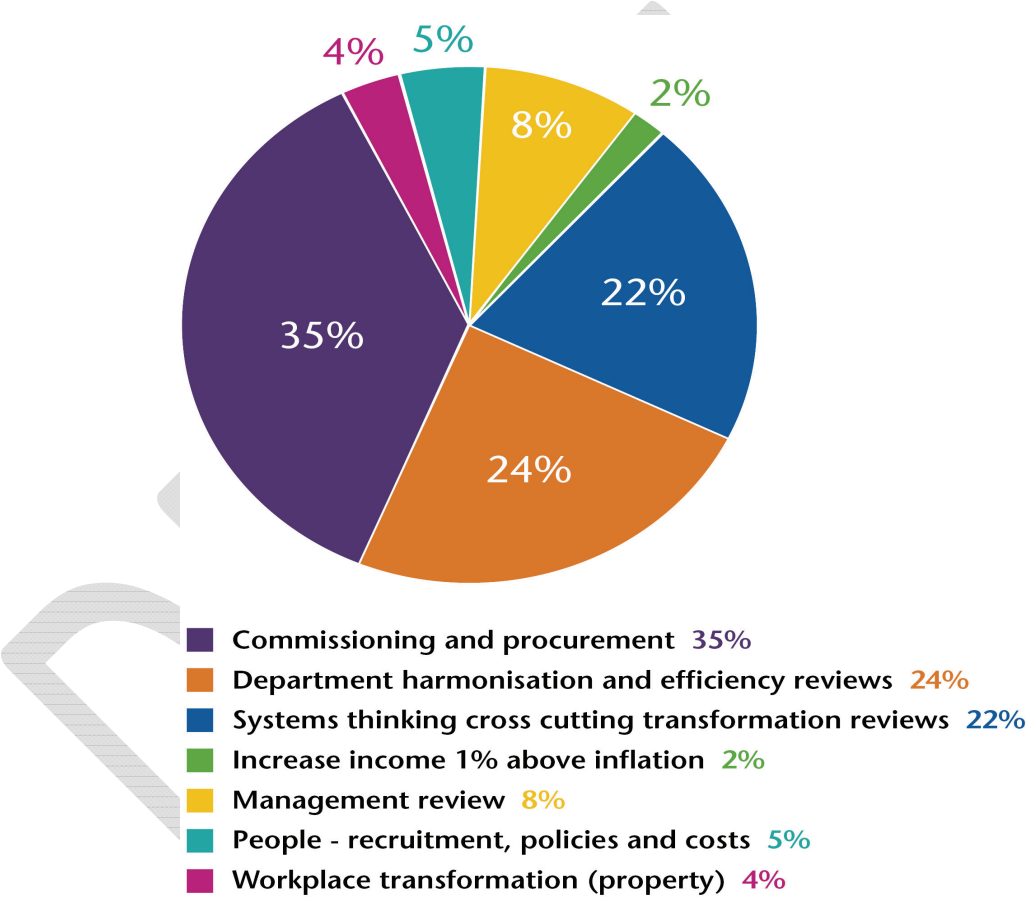
- Reduce our management costs and standardise our pay.
- Reducing and making better use of our buildings.
- Ensure we use the best providers through commercial procurement approaches.
- Ensure every service provides clear value for money.
- Transform the way we deliver key services to meet our customer needs for less of the same money.
- Increase our income whilst protecting the vulnerable.

Each of these areas and the proposals to deliver savings are set out below and in more detail in our Business Plan. The affect of these proposals alongside the investments on the council's service base budgets is set out at Appendix 2.

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The pie chart illustrates where the savings will be found



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Reduce our management costs and standardise our pay

Ref	Project title	Directorate	Savings in		Description and Impact
			2011-12 £ million	Additional 2012-15 £ million	
A1	Management Restructure implementation	DCE DCS DNP DoR DPHWP TOTAL	2.250 1.837 1.900 1.901 <u>0.240</u> 8.128	0.100 0.325	We announced in November 2010 our proposals to reduce our number of managers 220 posts through removal of vacancies and voluntary redundancies. This is a 25% reduction in our senior management team, or 1 in 4 posts removed. That process has now been completed to reduce by 220 posts by 31 st March 2011. The redundancy costs have been provided for in 2010 -11 and will be funded from a mixture of earmarked reserves approved by council in October 2010 and capitalisation approval by the Secretary of State.
A2	Standardisation of terms and conditions	All	0.250	4.250	The initial savings in 2011-12 are a result of the decision to remove the current lease car scheme. Whilst this will not be fully implemented until 2012-13, the small saving in the cost of voluntary redundancies in year one will offset this. In 2012-15 we will review our local terms and conditions. This will be through negotiations with the Trade Unions and set against a backdrop of expected national pay freezes and negotiations on national terms and conditions. We have carried out a high level review of the current terms and conditions comparing them to surrounding and national public sector organisations – and potential savings have been identified - whilst maintaining the balance of being an employer of choice by looking at other local incentives and staff development. In 2012-13 £3 million pounds is planned as a reduction, with a further reduction in pay costs of £750,000 and £500,000 in 2013-14 and 2014-15 respectively.
		TOTAL	8.378	4.350	

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Reducing and making better use of our buildings

Following the move to one council we have been reviewing our properties and assets to determine the cost, use and quality of the buildings we own. We believe that we can safely integrate certain activities into four main hub. This will improve access to our services and reduce our building costs. This includes:

- The complete refurbishment of County Hall in Trowbridge and the refresh of other buildings
- The delivery of over 2,000 full home working solutions
- The provision of full VoiP telephony and video conferencing facilities for all staff and members who require them

We are proposing savings and efficiencies in the following areas over the next four years;

Ref	Project title	Directorate	Savings in		Description and Impact
			2011-12 £ million	Additional 2012-15 £ million	
B1	Workplace Transformation Programme	All	(0.050)	3.150	We previously agreed a Workplace Transformation Programme that will reduce our office buildings from 90+ to 4 hubs. In addition, we will seek to reduce property costs by investing in working solutions to enable around 2,000 staff to work from home. This work has already commenced and will accelerate over the next four years.
B2	Monkton Park	DoR	0.375	0	We are the first council in the country to take over the management of a Public Finance Initiative (PFI) contract following the insolvency of the previous provider. As a result of this we are able to secure savings by retaining our PFI credits, whilst not having to make payments to the previous supplier.
		TOTAL	0.325	3.150	

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Ensure we use the best providers through commercial procurement approaches

Over the past few years, we have saved a lot of money through better commissioning and procurement, but we recognise the need to continue to improve our contract management. Our expectation is that in future all services, be they in-sourced or out-sourced, will have a clear contract – stating exactly what we expect to get for our money. We believe that there are a number of further areas where we can make savings through this process. The target is to deliver £36 million of savings in the next 4 years by:

- reducing the number of suppliers we buy and commissions goods and services from
- securing savings on contracts by adopting more commercial approaches to setting our contracts;
- introducing improved controls over how we spend money; and,
- improving the capability of our officers to employ commercial practices to managing contracts and delivery of outcomes.

An assessment of our spend has concluded that it is realistic for us to secure 15% of savings on the £245 million we spend on goods and services each year. Over the four years of this plan, this equates to £36 million. The plans for implementing a reduction in costs have been drawn up and reported to the Procurement Board that is overseeing the delivery of these plans. The key areas over the next 18 months are set out below. Whilst the assessment has identified £9 million in the first year, this has been included within this plan for the first year as ~~£9~~ £7.4 million to reflect the timescales, capacity and capability requirements needed in the first few months to get this programme moving. Any savings delivered above this target will contribute to reducing future year targets and will be assessed to identify if further re-investment could help fund greater savings by bringing forward some of the programme identified for future years.

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Ref	Project title	Directorate	Savings in		Description and Impact
			2011-12 £ million	Additional 2012-15 £ million	
C1	Adult care provision	DCS	1.760	1.640	We will make savings through commissioning a wider range of adult care services focused on quicker re-enablement. Further savings from reduced demand and spend management are also covered in savings in other parts of this budget plan - see savings references D1 1 and E1.
C2	Children	DCE	1.620	-	These savings include a combination of intended renegotiations on existing contracts and retendering at reduced funding. This also includes savings achieved on home to school transport where contracts have been retendered.
C3	Highways	DNP	0.484	-	It is intended to release savings from renegotiating existing contracts with a number of providers.
C4	Waste	DNP	0.680	-	The contract for processing recyclables taken to Community Recycling Facilities is to be retendered to generate this saving.
C5	Passenger Transport	DNP	0.451	0.150	The re-procurement of passenger transport contracts for both bus and taxi services are targeted to generate savings of 13%.
C6	Leisure	DNP	0.250	-	We will continue to review the contracts in this area and drive out reductions on cost.
C7	Property	DOR	0.310	-	It is planned that 8% savings can be made on our current property maintenance contracts which have an annual spend of £3.7 million.
C8	ICT	DOR	1.000	-	Planned spend on ICT contracts is around 10% which can be saved in 2011/12.
C9	Other goods and supplies	All	0.845	26.810	We will continue to review spend on non-pay related items in order to identify specific opportunities to procure goods and services at a better price without damaging our ability to function.
		TOTAL	7.400	28.600	

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Ensure every service that is needed provides clear value for money

We are looking at the cost and performance of all our services, with a view to identifying ways to reduce our non-procurement spend in 2011-12 by at least 12% through the reshaping services, harmonising working practices and securing efficiencies from revised staffing structures and the removal of wasteful processes.

In addition, services have been reshaped to reflect the changing responsibilities and in a small number of instances there has been a revision in the level of provision of service. Looking forward to 2012-15 there is still a requirement to find significant savings from service areas and we will look at what services could stop, or be delivered by others, or differently. These reviews will be mindful of the need to protect the vulnerable and invest in our communities, whilst delivering improvements. These savings include:

Ref	Project title	Directorate	Savings in		Description and Impact
			2011-12 £ million	Additional 2012-15 £ million	
D1	Narrowing of School Curriculum Support	DCE	0.615	0.161	The proposal assumes that the Schools White Paper when it receives Royal Assent will change the way advisory services work with schools and that there will be a reduction in the number of curriculum advisors and School Improvement Partners employed centrally by us. Instead there will be a core of lead professionals retained to support schools directly and facilitate collaboration and support between schools in line with the national agenda.
D2	Removal of council funding within traded teams	DCE	0.136	0.025	These proposals will reduce the local authority contribution to traded services within Schools & Learning and Integrated Youth Services. The savings will be achieved through those services being able to attract additional income and/or reduce costs.
D3	Information advice and guidance	DCE	0.402	0.417	It will be our intention to: <u>Provide support for young people to move into employment and training</u>

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working closely with our partners we have a range of strategies in place to support young people secure employment.

- The Wiltshire Potential Future Job Fund created 495 sustainable new/additional jobs for 18 – 24 year olds
- The 100 in 100 Apprentices Campaign aims to have 100 new Wiltshire apprentices enrolled within the 100 day period
- Working with Job Centre Plus 8 week work experience placements for unemployed 18 – 24 year olds have been secured for 300 young people
- As part of the Action for Wiltshire initiative, the 'Get Prepared Programme' (16-18 year olds) supports young people moving into employment, training or further education
- We are currently developing Action for Wiltshire phase 2
- and we are developing a range of future plans to support young people such as role models from business and skills development opportunities
- We are ensuring that vulnerable groups have access to additional support and guidance, for example an intensive personal adviser is co-located with the Looked After Children team and this has improved NEET rates for this group.
- Focus work on preventing NEET through early intervention with vulnerable groups
- Enhance support for learners/young people with LDD through improved transition
- Involve a greater range of partners in providing Information,

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					<p>Advice & Guidance (IAG) support and broaden the range of strategies to provide information.</p> <p>This will be achieved by revising the established delivery model for Connexions Services. This will involve potential closure of Connexions centres and developing alternative means for young people to access the service, including locating personal advisers in schools, youth centres and other community locations.</p> <p>These proposed developments will ensure that statutory responsibilities are met and the progression of young people supported whilst responding to the advice issued in recent months from the Audit Commission and LGA with regard to greater focus on targeting of support. These proposals will also support the transition to the new all age careers service.</p>
D4	Improving business support across Social Care	DCE	0.143	0.361	Business support services within Children's Social Care will be aligned to the new Social Care and Integrated Youth structure. Economies will be achieved through relocation to hub offices.
D5	Family support and Family Placement Service	DCE	0.176	-	These services will be restructured to provide a more targeted service by removing vacant posts and restructuring the management of the foster care teams.
D6	Out of Authority placements	DCE	-	0.176	Subject to £650,000 being approved to provide greater in-house short term residential crisis units in 2011-12, it is anticipated that from 2013-14 there will be a pay back arising from this investment through the prevention of placements and support that individuals will receive in the

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					crisis unit.
D7	Commissioning & Performance	DCE	0.209	-	There will be a reduction in staffing in performance and co-ordination arising from the removal of vacant posts and changes in support function work. There will also be a reduction in staff development costs plus savings from the re-commissioning of services.
D8	Other Savings within Targeted Services	DCE	0.135	-	This saving will be achieved through the cessation of the Student Finance Service, which is to be delivered on a national basis from April 2011, and the removal of a number of administrative posts within the former Targeted Services Branch.
D9	Reductions in grants allocated to youth projects	DCE	0.216	-	The Youth Opportunities Fund has ceased to be a ring fenced grant. This reduction is in line with the in-year reductions made to Area Based Grant and will leave a reduced amount of funding available for young people to allocate to projects.
D10	Transformation of Youth Services	DCE	-	0.600	During 2011-12 we will work with young people and staff to explore different models of youth service delivery which meet the needs of young people and local communities. This review will result in a re-shaped service in 2012-13 which increases opportunities for positive activities and involvement for young people whilst also identifying efficiencies.
D11	Older People Accommodation Strategy	DCS	0.353	0.353	We are embarking on a radical accommodation transformation programme with our partners of adult care provision in Wiltshire. This extends to the use and type of buildings we use and will result in a number of new developments, modernising accommodation and

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					ensuring fit for purpose provision for our older people. A longer term strategy was presented to Cabinet in January 2011 and it is expected that in the next 12 months more detailed scoping reviews will identify, following consultations, as appropriate, part year savings arising from a reduction in poor accommodation and proposals for improvements to replace the current provision in line with the Strategy. This is forecast to rise in later years, but at this stage no further increase has been assumed until a more detailed plan is brought forward.
D12	Mental Health Services	DCS	0.124	0.313	A review will be undertaken of how services are provided to adults of working age who are in receipt, or coming into receipt of mental health care packages to ensure that they are cost effective and secure the most appropriate support.
D13	Area grants	DCS	1.000	1.000	It is proposed that the funding for next two years for area board grants will be found from a carry forward and redistribution of the Performance Reward Grant awarded to Wiltshire last year. After this work on investment around 'Big Society' and working with our communities will be complete and a review of how or whether these funds will be superseded is expected to be complete.
D14	Extended use of Libraries	DCS	0.337	0.168	We want to preserve a professionally operated and comprehensive library service making cost savings with minimal disruption to the existing customer service levels and increasing the use of the libraries by local communities. The library service will become the 'face of council'; an

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					<p>alternative safe environment where our customers can interact with officers.</p> <p>Where appropriate, the library will be part of a campus vision - providing a modern and welcoming building – with the library as key to the wider community and council activities.</p> <p>There will be a capital investment in Radio Frequency Identification units that will allow residents to carry out more self service transactions and payments. As the library service will rationalise core opening hours, it is expected that these units will allow some limited increase to the new hours, where the community agrees this and support is provided by local volunteers.</p>
D15	Heritage	DCS	0.258	-	<p>It is proposed to reduce the arts and heritage grants by £91,080 from unallocated grant monies, which protects the majority of existing grants. A further £113,886 will be found from a reduction in administrative support costs, and £53,422 of additional income from across the services.</p>
D16	Remodelling of Voluntary and Community Services Support Unit	DCS	0.245	-	<p>These savings will be achieved through unallocated development monies and efficiency savings in organisations' infrastructures and from providing funding from elsewhere. Efficiencies within the VCS Unit will also be delivered.</p>
D17	Reconfiguration of Day Services	DCS	0.150		<p>Working with the Orders of St John and the voluntary and community sector, we want to look at how we make best use of day opportunities for older people.</p>
D18	Neighbourhoods	DNP	0.516	0.096	<p>£516,000 is proposed to be saved from amenities and fleet through a</p>

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	(excluding leisure)		0.520	0.320	range of operational efficiencies including review of the use and cost of corporate fleet and related costs such as fuel; the process for assessing Rights of Way; and the need to de-staff park and ride sites. A further £520,000 will be found from street scene services through harmonisation of a range of operational services as sewers, cleansing and grass cutting. Further savings are proposed in 2012-13 if proposals to delegate public conveniences to town and parish councils are agreed. Finally £739,000 will be found from rationalising services within highways. This will include the use of new improved, but cheaper materials to patch roads; a reduction in minor drainage repairs; and also in bus shelter maintenance. There is also expected to be a saving from a reduction in signage across the first two financial years.
			0.739	0.114	No cuts are proposed in the winter gritting funds in 2011-12, although a further review will be carried out after this and next winter to assess if there is scope for a 3% progressive reduction in the additional funds set aside last year, equating to £0.064 million.
D19	Leisure services	DNP	0.480	0.313	These savings will delivered from: <ul style="list-style-type: none"> A review of the operation of leisure centres across the whole of Wiltshire with a focus on harmonisation of memberships. This will include the introduction of new membership in the south that is expected to increase income £50,000 overall. In addition the collection of swimming fees by direct debit should increase net revenue by £34,000.

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					<ul style="list-style-type: none"> A review will be carried out of in-house and external provision with the aim to reduce costs by £318,000 from contract and staffing, with a further £78,000 arising from revising opening hours to reflect times of low usage.
D20	Strategic Highways	DNP	1.089	0.241	<p>These savings will be delivered from:</p> <ul style="list-style-type: none"> Reducing traffic monitoring and data collection on the highway network A complete review of the operation of speed cameras and driver training in Wiltshire Reducing street lighting and expansion of part time lighting Increasing income in street works licences

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Ref	Project title	Directorate	Savings in		Description and Impact
			2011-12 £ million	Additional 2012-15 £ million	
D21	Passenger Transport	DNP	1.105	-	The service is undergoing transformation through major review of: <ul style="list-style-type: none"> • Policies • Systems and procedures • Management All discretionary services will be reviewed. Subsidised bus services will be reviewed in accordance with our transport policies. All changes will be planned in consultation with stakeholders and users.
D22	Economy & Enterprise	DNP	0.572		Staff structures will be reviewed, including tourism, to reduce the number of posts following the reduction in grant funding. In addition, certain grant funding such as the Local Economic Partnership will reduce by £40,000. Although we will be investing in the economy as set out in this financial plan.
D23	Development services	DNP	0.225	0.350	A number of new charges will be introduced, including pre-application advice on planning and listed buildings, and a one-off charge to fund the monitoring of all Section 106 agreements. Further savings will be made from restructuring support teams and the land charges team.

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Ref	Project title	Directorate	Savings in		Description and Impact
			2011-12 £ million	Additional 2012-15 £ million	
D24	Housing	DNP	0.242	-	Staffing will be reduced to remove vacant and agency posts and save £202,000. In addition, additional income of £40,000 will be raised from charging Registered State Landlords a fee to enable them to be part of the Preferred Development Partnership; and also from advertising income from the Choice Based Letting service.
D25	Business services	DNP	0.094	-	We will delete vacant and agency posts.
D26	Public Protection & Emergency Planning	DPH&W	0.487	-	A new operating model will be introduced to enable a reduction in staffing - £384,000 and a focus on outcomes. This will mean removing wasteful processes and reacting to need quicker but with fewer staff. The areas affected will include Animal Welfare, Licensing, Operational Support, Food and Health Safety and Pest Control. In addition £122,000 of will be found from a number of smaller efficiencies by changing how the service operates, removing professional fees and charging water companies for services.
D27	Safer Communities and research	DPH&W	0.085	-	Vacant posts in anti-social behaviour previously funded from Area Based Grants (ABG) have now ceased and will be deleted. In addition, due to the cessation of ABG funding for the Wiltshire Community Safety Partnership (WCSP) previously coming from this grant will be stopped, however WCSP funding will continue in

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					2011/12 at a reduced rate of £244,000.
D28	Rationalising and harmonising back office support in finance, HR, policy, performance, shared services, business transformation and communications	DOR	1.281	0.450	This saving is delivered by reconfiguring the operating model in this area. This can be achieved by exploiting the cost reduction as a result of the move to one council, operating a shared services model, SAP, Workplace Transformation and ongoing Systems Thinking reviews. Savings in finance and HR will be factored in during the second half of 2011/12 to reflect the need to continue to support the organisation through this period of change. Communications has been reviewed and centralised to deliver savings of £1 million on product and activity spend and £400,000 on staff costs – this includes the rationalising the in-house design and print service to ensure it is fit for purpose to meet our needs.
D29	Legal, democratic services and governance	DOR	0.346	-	A 14.7% reduction in revenue budget for legal, democratic and scrutiny services in line with other resource services. A mix of increased income. Reduced staffing budgets achieved through exploiting the reduction as a result of the move to one council, shared service, SAP, Workplace Transformation and on-going System Thinking reviews.
D30	ICT	DOR	1.464	2.000	Following the in-sourcing of the service budgets will be rationalised to deliver the new ICT Strategy. This will include staffing, hardware and software costs.
D31	Property	DOR	0.238	0.226	The reduction in our estate will be reflected in a reduction in property staffing establishment over time.
D32	Future years	All	-	2.167	A target for future years has been identified. The allocation and

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					delivery of this will be targeted during 2011-12 taking into account the outcome of system thinking reviews. It is assumed that these savings will come from those services deemed as either no longer needed/funded, or those for which no savings will arise from other reviews, such as procurement or systems thinking. It is also assumed that as more cross cutting and partnership reviews replace the way we identify savings the monies found from this area will be delivered by the end of 2012-13.
		Total	13.982	9.915	

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Transform our key services

We are facing many challenges in the next few years. There is an increase in the needs of some groups - e.g. life extended through better care - which is likely to increase further as a result of proposed national changes to social housing and welfare reform. There is also an increase in referrals to specialist services - safeguarding, disability, transitions, and older people. At the same time there is an increased anxiety about vulnerability especially the safeguarding of children and these anxieties also apply to the growing vulnerable adult population and those with disabilities.

We know that we have to work differently if we are to respond to these needs and work within the new financial constraints. A systems thinking approach focuses on designing the service, systems and processes around the needs of our customers. 'Waste' in the system is removed and the various ways in which we respond to customers is understood and controlled. This leads to a reduction in costs, as well as improved performance. This approach helps managers and staff to think differently about their service so that improvements are sustainable and can continue to be made.

We will ensure that any interaction with a resident, business or other user of our services is resolved quickly and efficiently, preferably at the first point of contact. The council has undergone an analysis of the opportunities to deliver improved services for less cost. This includes a focus on:-

- Working in a more preventative manner instead of being reactive, with the aim of reducing referrals and sharing risk.
- Enabling individuals and families to have more say and control - creating space for other providers with greater flexibilities, reduced costs, strengthening communities, and potentially creating jobs - rather than simply providing services in a monolithic way and ceasing to be the direct provider where appropriate.

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- Working in partnership to create a wider ownership, and stronger community with shared identity, collective values shared risk, and more strategic commissioning.

Much of our work is covered by statute and regulation. Therefore the question isn't so much "what can we stop doing?" but more a case of "what can we do differently?" Clearly we will want to avoid taking any action that compromises the safety of vulnerable groups such as children and young people, older people and people with disabilities and mental health problems. However, we believe that with careful re-shaping of the way that we provide services, as described above, we can make savings. As a result of this scoping work it is forecast that we could save around £21.3 million over the next four years. This work will include:

Ref	Project title	Directorate	Savings in		Description and Impact
			2011-12 £ million	Additional 2012-15 £ million	
E1	Help people live at home independently	DCS	0.500	4.000	We are transforming the way individuals are helped to live at home. In addition, the use of 'telecare' technology will reduce costs by identifying support where it is required. A new crises response service will be introduced, providing 24 hour call handling and response.
E2	Adult and Children disability services	DCS & DCE	0.500	-	Savings will be achieved through a review of management and the structure of the disability teams.
E3	Other reviews	All	0	16.298	We are continuing to build on our learning from the private sector and other public sector partners on reviewing services and using a Systems Thinking approach to these reviews. Our work and savings will increase significantly in the

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					<p>second year of this plan April 2012/13, with a target to deliver £9.598 million of savings by carrying out reviews in back office services as well as front line services. A key principal will be to reduce unnecessary customer contact, in particular expensive face to face, by enabling more self serve solutions that meet our customer's needs. Whilst proposals are still at scoping stage for year two around the target level, other local authorities have delivered comparable levels of savings by adopting a similar approach. We will need robust governance, resourcing and project management skills to deliver these savings and a further £6.7 million in 2013-14.</p> <p>Our business will be smaller and it is likely that we will reduce our workforce as a consequence.</p>
		TOTAL	1.000	20.298	

Raising income

We currently raise around £60 million each year from fees and charges, which is a mixture of customers that have a choice regarding our services - such as car parking, and those which are set by government for the provision of statutory services, such as planning applications. Prior to the move to one council, each of the district councils and the county council had different approaches to the raising and collection of fees and charges. Over the last two years we have standardised some of the fees and charges across Wiltshire. It is now planned to introduce a consistent approach to how we set fees and charges, and awards concessions.

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This will include ensuring that the award of concessions protects the most vulnerable in our communities by linking a concession to the ability to pay.

This work will be carried out in conjunction with the introduction of an anti-poverty strategy which will identify the vulnerable groups affected and the best ways to secure effective collection, to avoid the need for lost income and the risk of contributing to the debt of a vulnerable resident or business. This work is expected to be complete early 2011 and will allow for more sophisticated setting of fees. Whilst income for 2011-12 is forecast to increase by £2 million, later year fees have prudently been set lower at £1.4 million in 2012-13 and £285,000 2013-14, with a potential reduction in some areas to reduce the overall increase across the board in 2014-15.

Ref	Project title	Directorate	Income in		Description and Impact
			2011-12 £ million	Additional 2012-15 £ million	
F1	Income	All	2.000	0	<p>For 2011-12 it is proposed that most services will apply a 4.4% uplift to the 2010-11 prices charged to service users. Exceptions include:</p> <ul style="list-style-type: none"> • car parking which was set at by Cabinet in December 2010 at 10%, subject to some concessions; and, • services to schools which are subject to further assessment following academy announcements. <p>Later year fees are expected to rise, but due to the impending radical review of fees, charges and concessions the Financial Plan has prudently assumed that income will remain at or around the 2011-12 levels by 2014-15. This will be subject to more detailed assessment of the ability to pay and the impact on demand of increasing / decreasing our charges.</p>

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Overall we are proposing to reduce our current base budget by £99.398 million - cumulatively that is £289.615 million – over the next 4 years. The financial plan includes the following adjustments to the base budget over that period;

Ref	Project title	Savings in		
		2011-12 £ million	2014-15 base budget reduction £ million	Total cash saved over 2011-15 £ million
A	Reduce our management costs and standardise our pay	8.378	12.728	44.812
B	Reducing and making better use of our buildings	0.325	3.475	6.650
C	Ensure we use the best providers through commercial procurement approaches	7.400	36.000	83.200
D	Ensure every service that is needed provides clear value for money	13.982	23.897	85.673
E	Transform the way we deliver key services to meet our customer needs for less or the same money	1.000	21.298	58.195
F	Increase our income whilst protecting the vulnerable	2.000	2.000	11.085
	Totals	33.085	99.398	289.615

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The impact of funding changes on our capital programme

Schools

The financial settlement for schools was also announced on 13 December 2010, containing details of a one year settlement.

For 2011/12 this means;

A new Pupil Premium from April 2011/12, which will be paid at £430 per pupil eligible for free school meals and £200 per pupil from a service family. A premium of £430 will also be paid for all looked after children who have been looked after for more than 6 months. It is estimated that the value of the pupil premium across Wiltshire schools could be approximately £2.8 million.

Dedicated Schools Grant (DSG) - the current methodology for the calculation of the has been continued for 2011-12. There has been no inflationary increase applied to the level of DSG and a minimum funding guarantee (MFG) of -1.5% has been applied to ensure that no school receives a reduction in budget of more than 1.5% before the pupil premium is applied.

A number of former standards funds have been mainstreamed in to DSG. For Wiltshire the total of these grants included in the baseline for 2011-12 is £36.595 million. Many of these grants are currently allocated to schools by means of a targeted formula or through a bidding process.

From 2011-12 the full amount, with the exception of £133,000 for the former Ethnic Minority Achievement Grant which can be retained centrally, must be and have been included within the schools delegated budget and allocated to schools through an appropriate formula. This is likely to cause challenges in individual schools budgets and some level of protection may need to be applied to budgets in the first year.

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Academies funding – funding for the delegated budgets of all schools who convert to academy status will be recouped from the total DSG allocation for Wiltshire and paid to academies by the Young Persons Learning Agency. An element of the Local Authority Central Spend Equivalent Grant (LACSEG) for each academy will also be deducted from Wiltshire's DSG settlement. This will require savings to be made in centrally funded services and further recoupment will occur during the financial year if more schools convert.

The estimated DSG for 2011-12, after recoupment for known academy conversions, is £273.117 million. This estimate is based on the October pupil count in schools and early year's settings. The final grant will be confirmed by the Department for Education when the January pupil numbers are verified; this is likely to be in June 2011, after the start of the financial year.

In order to fund priorities in 2011-12, savings have been made within central DSG funded budgets. Schools Forum will agree budget proposals at the meeting of 2nd February and a these recommendations will be considered by Cabinet on 15th February.

Recommendations will include savings proposals and application of the DSG 2010-11 under spend to support some cost pressures on a one off basis.

Savings already achieved within centrally held budgets for pupils with special educational needs will be invested in mainstream primary schools in order to increase the funding delegated to primary schools to meet the needs of pupils with SEN. This has previously been agreed by Cabinet in consideration of the Special Education Needs review.

Social housing

A separate Housing Revenue Account (HRA) report has been submitted to council for consideration on 22nd February. At this moment the HRA budget is only considering a one year time frame as the Housing Subsidy that governs this area of the business is due for a radical overhaul during 2011-12.

The HRA budget is proposed to be set in line with the national rent restructuring formulae/guidance. The effect is that in 2011-12 after applying transitional arrangements the average rent increase will be £2.59 per week (3.3%) based on a 50 week rent year, against a national average of 6% increase.

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Housing service and utility charges are proposed to increase by 4.6%. It is also anticipated that charges for communal areas will be introduced in 2011-12 following consultation.

The HRA remains ring-fenced and thus no cross subsidisation occurs between the General Fund and the HRA. There is however some consequential impacts from other changes proposed to the revenue plan, for example investment in helping people to live longer in their own homes. These have been taken into account in setting the proposed HRA budget.

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The Capital Programme

The proposals for the Capital Programme were considered by the newly formed Cabinet Capital Assets Committee at its meeting on 7 February 2011. All revenue costs associated with the new investment proposals, totalling £52 million have been summarised below and have been accounted for in the revenue budget proposals contained in this paper.

In addition to the new proposals, a recent review of the capital programme which looked to re-profile capital spend and the replacement of supported borrowing to government grant as announced in the settlement has generated revenue savings in the region of £2 million. The capital financing line has also been reflected to take into account the one off reduction in 2011/12 for the impairment of the investments relating to the Icelandic banks which, by law, had to be accounted for in 2010/11. It has also been reflected to ensure existing approved capital investment still within the capital programme has been fully funded in terms of revenue financing.

Description	Proposed New Capital Investment over Life of Business Plan
Broadband	£12 million
Waste Transformation	£9 million
Campuses	£30 million
Libraries (RFID Technology)	£0.5 million

In relation to the Highways and Education capital programmes, government has announced changes in the funding for these areas. Previously the level of spend allowed has been identified against which the council has approval for supported borrowing. From 2011-12 both these areas are to receive capital grant allocations, although in both cases these are less than the previous supported

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borrowing levels in 2010-11. The revenue budget has been set on the assumption that the Capital Programme for 2011-15 will be set based on approval to fund the shortfall for highways between the 2010-11 funding level and the 2011-12 grant to ensure that spending on highways remains at 2010-11 levels. The funding for schools will be in line with the capital grant allocation.

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Risk Assessments

Financial Risk Assessment

In accordance with Section 25 of the Local Government Act 2003 and CIPFA Code of Practice, this section of the report sets out the Section 151 Officer's assessment of the major areas of risk in the 2011-12 to 2014-15 base budgets and in this Financial Plan. It also recommends budget options. It is presented in order to provide members with assurances about the robustness of the assumptions made and to assist them in discharging their governance and monitoring roles during the forthcoming year.

Members are required under the 2003 Act to have regard to the Chief Financial Officer's report when making decisions about the budget calculations. Section 25 of the Act also covers budget monitoring and this is a procedure which also helps to confirm the robustness of budgets. Current financial performance is taken into account in assessing the possible impact of existing pressures on next year's budget. It also provides early indications of potential problems in managing the current year budget so that appropriate action may be taken. Members are asked to note therefore that the balanced budget forecast, noted at Section 2 of this report for 2010-11, has been included in our risk based assessment for balances. Budget monitoring is reinforced through close financial support to managers and services. These processes and controls will continue to be built upon for 2011-12, to maintain tight financial control.

In assessing the assumptions the Section 151 officer has considered the details provided by the corporate leadership team relating to each service including detail of current pressures and other issues. These narratives were set alongside each Head of Service's base budget calculations, so as to put the figures in context and to help inform the formulation of this budget and the council's proposed

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Business Plan. My assessment of all this information, following the risk assessment set out below, is that the budget calculations are fair and robust, and reserves are adequate to reflect known circumstances.

Assumptions around the base budget

2011-12 will be the third budget set for the new unitary Wiltshire Council. Following the move to one council a number of errors in the original base assumptions surrounding the amalgamation of budgets have come to light. In addition, the economic downturn has meant that original assumptions around income growth in areas such as planning need to be amended to reflect the latest known position. As such the following changes to base budgets are proposed:

Cost / income	Reason for change	Base adjustment £m
Social care	The last two years have shown significant increasing in the number of cases. This adjustment is required to reflect the current caseload. This has been highlighted in 2010-11 budget monitoring and a one off use of reserves in 2010-11 was approved by council in October 2010. This adjustment permanently reflects that decision.	4.400
Public Health	We continue to work with the PCT on areas relating to public health. We jointly fund a number of schemes to bring about improvements in the well being of the residents of Wiltshire. Some of the costs associated with this joint work were initially estimated lower than the actual level of spend. In order to	0.187

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	maintain this effective joint working this change allows for an increase in the base budget in 2011-12 reflecting current working practices.	
Planning	The economic downturn has resulted in a shortfall in income in the number of planning applications, and there are no signs that this will significantly pick up in the next two years.	0.923
Property Services	In addition it is noted that a further £1 million will need to be adjusted in the base budget in 2012-13 to account for an under provision in property services following the move to one council. This is being managed in 2010-12 due to a reduction in non-essential repair and maintenance costs on those buildings being rationalised under the Workplace Transformation Programme.	1.000
Total 2011-13		6.510

Assumptions around inflation and other pressures

The Financial Plan has to make a number of assumptions for the planned and potential future growth and depreciation in our cost base. Factors such as pay and non-pay inflation have been assessed based on the information available at the point of signing off the budget. Where factors are still to be resolved, such as the local authority pay settlement, an assessment of the potential increase in costs has been made in the reserves assessment that follows this section. This reflects our objective to ensure that we have a robust, risk aware and prudent financial management.

A summary of the assumptions that underpin the Financial Plan are set out in Appendix 3. The Appendix sets out high level assumptions such as an average rate of inflation and demand growth. More detailed assessments have been carried out in each

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service area, and an assessment of several indices of growth assessed to ensure the likelihood arising of any cost implications. As such different cost indices have been applied to assess different areas of the business, for example the Building Price Index has been applied in areas of construction related activity.

In relation to service demand, the key area of focus for us is the demographic and complexity of need changes. In most areas the changes are not material and have therefore not been included. Detailed modelling has been undertaken in key areas of risk, most notably social care (adults and children) to assess the potential changes in caseload and care provisions. This can only ever be forecast to a certain degree of accuracy as until an individual is known to us for care assessment, detail costs will not be possible. The latest assessment has been carried out in light of local and national trend data. This projects that in Wiltshire, there will be an increase in the elderly population and needs equating to an additional cost pressure in 2011-12 of £4.1 million. This is above the £4.4 million of base adjustments referred to above. At this stage due to the high level assumptive nature of these projections £3.5 million of the new forecast demand has been added to the Social Care base and a further £500,000 set aside in reserves, to be released in 2011-12 as more detail is known of the resultant case load. An increase in child care of £400,000, to account for a trend of increasing care costs, has been identified in the 2010-11 budget monitoring reports to members.

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The key other focus has been on forecast costs or savings arising from proposed or actual changes in legislation. At this stage the only forecast change is the need to account for new arrangements relating to the Carbon Reduction Commitment. It had originally been proposed that this would be a self-funded scheme. However, in the local government financial settlement it was announced that this will be a penalty scheme payable in 2012-13 onwards. Whilst the first payment is not until 2012-13 - as it relates to our carbon emissions in 2011-12 - there is a need to account for those costs in that year. The effect of these changes is to introduce the following cost pressures that have been added to the base budget;

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	March 31st			
	2012 £ million	2013 £ million	2014 £ million	2015 £ million
Carbon Reduction Commitment	0.6	0.6	0.7	0.8

Several other legislative changes are being proposed and as yet the detail of funding is still to be released. We will need to review emerging legislation as part of the budget monitoring and assessment of reserves.

Assumptions around reserves

For the past 2 years we have had a strategic risk register and developed a risk framework to identify and monitor risks going forward. This register has continued to be updated during 2010-11, and has formed the platform in preparing the Section 151 Officer's assessment of risk. Appendix 4 summarises the significant financial risks arising from this assessment. The total potential reserves required from this assessment across the next four years are estimated as follows:

	31 st March				
	2011 £ million	2012 £ million	2013 £ million	2014 £ million	2015 £ million
General Fund Reserve	11	9	12	16	16

Our General Fund reserve at 31 March 2011, estimated at Section 2 of this report from the current forecast outturn is £11 million. This includes the effects of a review of potentially available earmarked reserves, and these are set out in the following paragraphs in more detail.

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There is still the potential to release £2 million from reserves in 2011-12, in line with the Financial Plan. However, members should note that, as the external environment of both the public sector and Wiltshire itself changes rapidly, so the number of risks being identified and the likelihood of risks occurring are also increasing. This is reflected in the financial risk assessments for later years of the plan which, at this stage, identify potential risks adding up to £12 million in 2012-13, increasing to £16 million in 2014-15. This will be kept under review. There is, therefore, a need for the Financial Plan to provide for increases in the General Fund Reserve from 2012-13 onwards as follows:

	31 st March				
	2011 £ million	2012 £ million	2013 £ million	2014 £ million	2015 £ million
General Fund Reserve	11	9	12	16	16
Contribution to / (from) reserves	-	(2)	3	4	0

The “growth” assumption in the General Fund Reserve position will be kept under continual review as part of the budget monitoring process. An analysis of the earmarked reserves has also been undertaken and the proposed movements and purpose of each is set out below. This identifies no net change in the total for 2011-12, and a small increase in 2012-13 to 2014-15. This again is provided for in the Financial Plan.

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Earmarked Revenue Reserves	31 st March						Purpose
	2010 £m	2011 £m	2012 £ m	2013 £ m	2014 £ m	2015 £ m	
PFI	2.5	1.6	2.5	2.5	2.5	2.5	To continue to forecast the gap in future funding on the existing schools PFI schemes and to fund set up and bid costs for housing and adult care homes
Other	0.3	0.2	0.2	0.1	0.1	0.1	Includes operating reserve for libraries and funding of future Workplace Transformation project management costs
Insurance	4.0	4.3	4.6	4.9	5.2	5.5	To provide for continued increases in costs arising from claims brought against the council.
Social Care	-	0.5	0.5	0.5	0.5	0.5	Recent trends have identified that the predictions in the changing nature of Wiltshire's needs for care. We have only been able to account for certain trends such as demography rather than complexity of needs. This is a national issue and relates to the fact that until an individual comes into care we cannot anticipate the true needs. As such a sum has been set aside to deal with this as a contingency should the need arise in order to maintain Wiltshire's high standards of care.

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Summary - impact of a reduced budget

The major impacts in terms of the legally protected equality categories are likely in relation to disability and age. This is because of the volume of disabled and older people who are major users of our services, and in particular of high value personal services. The focus of our budget has been to protect the vulnerable and therefore this area has an increase in funding. The area of focus for savings is to look at how we buy these services for less from our providers and drive out costs through better procurement and commissioning. As a result, any change should not have an adverse impact to this group. These changes and any impact will be managed through effective implementation of the commissioning framework that we have proposed. Any loss of service to older and disabled people will be mitigated by new models of service delivery, partnership working and by helping people to develop a greater degree of independent living.

The other impacts identified are likely be less significant, but still important. This includes an effect on socio-economic group (e.g. class, poverty, and neighbourhood) and gender (particularly women in respect of equal pay and carers responsibilities). These will be mitigated by doing things differently. Race, religion, belief and sexual orientation were generally identified as lower impact in relation to savings, but along with disability and gender, they are of high relevance to personal and community safety.

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Legal Assessment

The Monitoring Officer considers that the proposals fulfil the statutory requirements set out below with regard to setting the amount of council tax for the forthcoming year and to set a balanced budget:-

S30 (6) Local Government finance Act 1992 (the 1992 Act) - This section requires that council tax must be set before 11 March, in the financial year preceding that for which it is set.

S32 the 1992 Act - This section sets out the calculations to be made in determining the budget requirements, including contingencies and financial reserves.

S33 the 1992 Act - This section requires the council to set a balanced budget.

S25 (1) Local Governance Act 2003 (the 2003 Act) - The Chief Finance Officer of the Authority must report to it on the following matters:-

- (a) the robustness of the estimates made for the purposes of the calculations; and
- (b) the adequacy of the proposed financial reserves.

S25 (2) the 2003 Act - When the council is considering calculations under S32, it must have regard to a report of the Chief finance Officer concerning the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.

The Local Authorities (Functions & Responsibilities) (England) Regulations 2000 (as amended) - These regulations set out what are to be the respective functions of council and of the cabinet. With regard to the setting of the budget and council tax for the forthcoming year, Regulations provide that the leader formulates the plan or strategy (in relation to the control of the council's borrowing or capital expenditure) and the preparation of estimates of the amounts to be aggregated in making the calculations under S32 of the 1992 Act. However, the adoption of any such plan or strategy/calculations is the responsibility of (full) council. This plan meets those requirements.

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Human Resource assessment

The Director of Human Resources (HR) has been involved in the process surrounding savings in the service areas and the human resource implications arising from these proposals. This has included consultation with the Trade Unions (TUs) in relation to the management review and the restructuring of services. As more than 20 individuals are facing a potential redundancy situation, a HR1 form has been completed and sent to both the recognised trade unions and the Insolvency Service. A consultation period has been completed for the finalisation of the management review for full implementation of the savings arising from that, and processes have been put in place to carry out further consistent consultations arising from other service saving proposals over the next 12 months.

The Financial Plan contains an assumption that there will be further reduction in staff posts arising from service reviews and there will be changes in key areas such as terms and conditions. It is assumed that there could be a reduction of up to 250 posts in 2011-12. Negotiation with Trade Unions have commenced in relation to both of these areas.

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Summary and impact on council tax

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The overall position for 2011-12, excluding schools, reflected in this report is therefore:

	£m	£m
2010-11 Revised Base Budget		346.243
Plus		
<i>Investment built into initial financial plan</i>		
- Protecting the vulnerable (section 4)	9.501	
- Investing in our future communities (section 4)	4.793	
- Maintaining an effective organisation (section 4)	4.479	
		18.773
Additional spending requirements (section 4)		365.016
Less		
<i>Savings (section 5):</i>		
Management and harmonising staff pay	(8.378)	
Workplace transformation	(0.325)	
Commissioning & Procurement	(7.400)	
Service harmonisation & efficiencies	(13.982)	
Transformation	(1.000)	
		(31.085)
Plus		
Income (section 5)		(2.000)
• Net change in specific grant funding		(2.084)
Net budget requirement		329.847
Financed by		
• Formula & Grants (RSG + NNDR) (section 3)		(104.192)
• Council Tax Freeze Grant		(5.476)
Amount to be found from the 'Collection' fund		(220.179)

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Council tax levels

The Local government Finance Act 1992 (as amended by the 2003 Act) sets out the powers and duties of the council in setting the annual council Tax. The key requirements under Part IV of the 1972 Act are that:

- √ Council Tax is set at Full Council – Section 33.
- √ Council Tax is set at a sufficient level to meet its proposed budget requirements for the ensuing year – Sections 32 and 33.
- √ The level of Council Tax is set before 11th March to enable circulation of Council Tax bills to enable people to pay on and after 1st April- Section 30(6).
- √ The Chief Finance Officer must report on the robustness of estimates and the proposed adequacy of reserves – Section 25.

The government, through Eric Pickles MP (the Minister of Local Government), reiterated in January 2011 that keeping Council Tax low remains a priority for the government and the expectation yet again was that the increase in Council Tax would be significantly below 5%. Again he stressed that capping powers would be employed for excessive increases. To encourage this the Secretary of State has announced a Council Tax freeze that will, for four years, make up the difference as if Council's had set their Council Tax at 2.5%. It takes no account of any future years. The impact for Wiltshire is set out at Section 4 of this report, and equates to a grant of £5.476 million.

The assumptions employed in setting the 2011-12 to 2012-15 Financial Plan have been that council tax for Wiltshire Council is set as follows:

2011-12	0%
2012-13	0%
2013-14	2.5%
2014-15	2.5%

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The council is required to set a council tax sufficient to balance the Collection Fund account it maintains. Based on the projections at December Wiltshire Council's net surplus is forecast to be £1 million and will be used in funding the 2011-12 budget provision. That results in a funding requirement in 2011-12 from council tax of £219.179 million.

The council has agreed that the Band D tax base of 179,297.66 for 2011/12. Given the calculated draw on the Collection Fund, as identified in section 9.1 of this report, to deliver a balanced budget, after assuming a £1 million contribution from the Collection Fund surplus is a net £219.179 million, The Band D council tax proposed for 2011/12 is thus £1,222.43 (£219.179 million divided by 179,297.66 tax base). That is unchanged from 2009/10 and across the bandings that equates to the following:

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£	£	£	£	£	£	£	£
814.95	950.78	1,086.60	1,222.43	1,494.08	1,765.73	2,037.38	2,444.86

The precept for Wiltshire Police Authority and Wiltshire Fire and Rescue Service are still at this point in time to be proposed for 2011-12. Further details will thus be reported to Cabinet on 15th February 2011. In Wiltshire there are 253 parish and town councils. Each of these bodies has precepting powers and we are currently waiting to hear back from all of these bodies. Given the scale of the number of such councils, the detailed affect for each will be set out in an appendix to show the movement for each body on top of that for Wiltshire Council, the Fire and Police authorities.

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Base budget

Appendix 1

Wiltshire Council Business Plan 2010/12 to 2014/15	Base 2010/11	Change/year				Budget Uplift
		2011/12	2012/13	2013/14	2014/15	
Net Budget 2010/11(amended year on year)	346.243	346.243	329.847	318.247	320.942	1,315.278
Savings analysis		£m	£m	£m	£m	£m
Procurement and Commissioning		7.400	8.000	9.000	11.600	36.000
Making better use of our buildings		0.325	0.250	1.700	1.200	3.475
Terms and conditions		0.250	3.000	0.750	0.500	4.500
Management restructuring		8.128	0.100	0.000	0.000	8.228
Increase income		2.000	1.400	0.285	-1.685	2.000
Systems thinking cross cutting transformation reviews		1.000	13.598	6.700	0.000	21.298
Reshape services to cut waste and focus on priorities		13.982	9.915	0.000	0.000	23.897
Savings Required		33.085	36.263	18.435	11.615	99.398
Indicative net budget after savings		313.158	293.584	299.812	309.327	1,215.880
<i>as % of 2010/11 net budget</i>		<i>90%</i>	<i>85%</i>	<i>87%</i>	<i>89%</i>	
Investment analysis						
Protect and safeguard the vulnerable						
Vulnerable adults		7.826	4.421	2.333	2.860	17.440
Vulnerable children		0.675	0.650	0.000	0.000	1.325
Economy and unemployment		1.000	0.000	0.000	0.000	1.000
<i>total:</i>		<i>9.501</i>	<i>5.071</i>	<i>2.333</i>	<i>2.860</i>	<i>19.765</i>
Invest in the future of our communities and priority services						
Waste management and recycling		2.500	2.763	2.443	-0.089	7.617
Broadband		0.323	0.295	0.282	0.167	1.067
Leisure		0.316	0.550	0.628	0.293	1.787
Housing		0.084	0.000	-0.180	0.005	-0.091
Children's attainment		0.270	0.730	0.000	0.000	1.000
Communities (Big Society)		0.200	0.800	0.000	0.000	1.000
Energy Efficiency		1.100	0.000	0.100	0.100	1.300
<i>total:</i>		<i>4.793</i>	<i>5.138</i>	<i>3.273</i>	<i>0.476</i>	<i>13.680</i>
Maintaining an effective business						
Robust base budget		1.110	1.000	0.000	0.000	2.110
Inflation		5.090	2.277	7.133	8.100	22.600
Redundancy costs	6.500	4.000	1.000	0.000	0.000	5.000
Movement in capital financing and general fund reserves	-6.500	-5.721	8.311	4.891	0.171	7.652
<i>total:</i>		<i>4.479</i>	<i>12.588</i>	<i>12.024</i>	<i>8.271</i>	<i>37.362</i>
Total investment		18.773	22.797	17.630	11.607	70.807
Net impact of changes in Local Government Funding						
Add back in un-ringfencing of specific grants		30.215	0.000	0.000	0.000	30.215
Confirmed Specific & General Grants		-31.799	1.866	3.000	3.038	-23.895
New Homes Bonus Scheme		-0.500	0.000	0.500	0.000	0.000
		-2.084	1.866	3.500	3.038	6.320
Indicative budget after savings & investment		329.847	318.247	320.942	323.972	1,293.007
		<i>95%</i>	<i>96%</i>	<i>101%</i>	<i>101%</i>	
Funding Settlement for Formula Grant & Council Tax & freeze grant	Base 2010/11	Funding each year				
	2010/11	2011/12	2012/13	2013/14	2014/15	4 yr total
	£m	£m	£m	£m	£m	£m
Formula Grant (RSG & NNDR)	102.442	104.192	-11.477	-3.709	-3.560	85.446
Area based grant (Partially rolled into in Formula)	24.662	0.000	0.000	0.000	0.000	0.000
Council Tax	217.763	219.179	0.877	6.403	6.590	233.049
Council tax freeze grant		5.476	0.000	0.000	0.000	5.476
LABGI & collection fund	1.376	1.000	-1.000	0.000	0.000	0.000
Total funding	346.243	329.847	318.247	320.941	323.971	1,293.007
Shortfall/-surplus (net budget - funding)		0.000	0.000	0.000	0.000	0.000

Cumulative 'cash'					Total Cash Over 4 years
Total Yr1	Total Yr2	Total Yr3	Total Yr4	Total BP	
					1,384.972
29.600	24.000	18.000	11.600	83.200	
1.300	0.750	3.400	1.200	6.650	
1.000	9.000	1.500	0.500	12.000	
32.512	0.300	0.000	0.000	32.812	
8.000	4.200	0.570	-1.685	11.085	
4.000	40.795	13.400	0.000	58.195	
55.928	29.745	0.000	0.000	85.673	
132.340	108.790	36.870	11.615	289.615	
-132.340	-108.790	-36.870	-11.615	1,095.357	
31.304	13.263	4.666	2.860	52.093	
2.700	1.950	0.000	0.000	4.650	
4.000	0.000	0.000	0.000	4.000	
				60.743	
10.000	8.289	4.886	-0.089	23.086	
1.292	0.885	0.564	0.167	2.908	
1.264	1.650	1.256	0.293	4.463	
0.336	0.000	-0.360	0.005	-0.019	
1.080	2.190	0.000	0.000	3.270	
0.800	2.400	0.000	0.000	3.200	
4.400	0.000	0.200	0.100	4.700	
				41.608	
4.440	3.000	0.000	0.000	7.440	
20.360	6.831	14.266	8.100	49.557	
16.000	3.000	0.000	0.000	19.000	
-22.884	24.933	9.782	0.171	12.002	
				87.999	
				190.350	
120.860	0.000	0.000	0.000	120.860	
-127.196	5.598	6.000	3.038	-112.560	
-2.000	0.000	1.000	0.000	-1.000	
-8.336	5.598	7.000	3.038	7.300	
				1,293.007	

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Revised base budgets by Directorate and services – to account for changes in Public Health and Well Being

Wiltshire Council Proposed Revenue Budget 2011-2012

Department and Service	Revised 2010-2011 Net Base Budget	INFLATION AND DEMAND			INCOME	INVESTMENT	SAVINGS AND EFFICIENCIES						Net Budget Proposal 2011-12	ANALYSIS OF INCOME 2011-12			Gross Budget Proposal 2011-12
		PAY	NON PAY	REDUCTION IN SPECIFIC GRANTS			PROCUREMENT AND COMMISSIONING	PEOPLE AND MANAGEMENT REVIEW	System Thinking Reviews (19%)	WTP & Assets	Other Service Reviews (12%)	TOTAL		Fees / Charges	Grants	Other Income	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Children and Education																	
<i>Schools & Learning</i>																	
Early Years	0.000	0.010	0.000	10.897	0.000	0.000	-0.685	-0.439	0.000	0.000	0.000	-1.124	9.794	0.012	15.661	0.000	25.456
School Buildings & Places	0.374	0.000	0.000	0.000	0.000	0.000	0.000	-0.124	0.000	0.000	0.000	-0.124	0.251	0.000	0.329	0.000	0.580
School Improvement	4.947	-0.018	0.000	0.218	-0.024	0.270	0.000	-0.235	0.000	0.000	-0.614	-0.849	4.544	0.692	1.922	0.506	7.663
Traded Services	-0.069	-0.010	0.000	0.000	-0.075	0.000	0.000	-0.087	0.000	0.000	-0.136	-0.223	-0.377	2.140	1.126	0.217	3.107
Special Educational Needs	6.325	-0.014	-0.031	0.000	0.000	0.000	-0.153	-0.189	0.000	0.000	0.000	-0.342	5.938	0.021	11.275	0.310	17.545
<i>Commissioning and Performance</i>																	
Commissioning and Performance	0.820	0.017	0.289	1.344	0.000	0.000	0.000	-0.126	-0.001	0.000	-0.209	-0.336	2.135	0.020	5.812	0.117	6.084
Funding Schools	0.000	0.000	-0.500	0.000	0.500	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.247	254.755	0.082	256.084
<i>Targeted Services</i>																	
Commissions Service	2.654	-0.005	0.000	0.000	0.000	0.000	0.000	-0.312	0.000	0.000	-0.450	-0.762	1.887	0.004	0.023	0.000	1.914
Youth Development Service	2.630	-0.203	0.000	0.216	-0.080	0.000	-0.007	-0.250	0.000	0.000	-0.216	-0.483	2.081	0.198	0.172	0.040	2.490
Youth Offending Service	0.728	0.194	-0.000	0.703	0.000	0.000	0.000	0.000	-0.001	0.000	-0.007	-0.008	1.616	0.000	0.766	0.122	2.504
Young People's Support Service	0.207	-0.033	0.000	0.000	0.000	0.000	0.000	0.000	-0.001	0.000	0.000	-0.001	0.173	0.300	2.145	0.011	2.628
Other Targeted Services	1.991	-0.122	0.408	0.125	0.000	0.000	0.000	-0.488	0.000	0.000	-0.080	-0.568	1.834	0.016	1.719	0.079	3.648
<i>Children's Social Care</i>																	
Safeguarding	0.755	0.041	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.796	0.000	0.040	0.048	0.884
Children's Social Care	27.739	0.092	1.351	0.000	0.000	0.675	-0.765	0.000	-0.185	0.000	-0.319	-1.270	28.586	0.041	0.645	0.154	29.427
Total	49.102	-0.051	1.518	13.503	0.321	0.945	-1.820	-2.249	-0.188	0.000	-2.032	-6.089	59.248	4.690	296.389	1.685	362.014
Community Services																	
Older People	37.867	0.180	-1.311	2.014	-0.042	4.300	-1.760	-0.343	-0.500	0.000	-0.503	-3.106	39.902	6.977	0.000	0.488	47.368
Physical Impairment	6.815	0.000	0.110	0.000	0.000	1.310	0.000	0.000	0.000	0.000	0.000	0.000	8.035	1.073	0.000	0.000	9.107
Learning Disability	30.982	0.108	0.523	8.235	-0.010	0.627	0.000	-0.239	-0.306	0.000	0.000	-0.545	39.920	3.839	0.000	0.245	43.804
Mental Health	19.864	0.031	0.285	0.000	-0.022	1.589	0.000	0.000	0.000	0.000	-0.124	-0.124	21.623	3.823	0.000	0.087	25.513
Supporting People	7.190	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	7.190	0.000	0.000	0.000	7.190
Resources, Strategy & Commissioning	3.366	0.014	0.000	0.000	-0.002	0.000	0.000	-0.305	0.000	0.000	0.000	-0.305	3.073	0.037	0.085	0.238	3.453
Community Leadership & Governance	4.397	0.027	0.000	0.000	0.000	0.000	0.000	-0.322	0.000	0.000	-1.245	-1.567	2.857	0.000	0.050	0.055	2.982
Libraries Heritage & Arts	6.020	0.048	0.000	0.000	-0.013	0.000	0.000	-0.628	0.000	0.000	-0.595	-1.223	4.832	0.637	0.000	0.404	5.673
Total	116.301	0.408	-0.393	10.249	-0.089	7.822	-1.760	-1.837	-0.806	0.000	-2.467	-6.870	127.432	16.186	0.136	1.497	145.250
Neighbourhood and Planning																	
Highways and Street Scenes	16.482	0.066	1.090	0.000	-0.804	0.000	-0.484	-0.191	0.000	0.000	-1.775	-2.450	14.384	1.718	0.000	0.895	16.997
Highways Strategic Services	9.603	0.026	0.225	0.000	0.000	0.000	0.000	-0.327	0.000	0.000	-1.089	-1.416	8.438	0.632	0.000	0.583	9.653
Public Transport	12.704	0.011	0.197	1.156	0.000	0.000	0.000	-0.074	0.000	0.000	-0.976	-1.050	13.018	0.000	0.000	3.064	16.082
Education Transport	8.673	-0.003	0.075	0.048	-0.080	0.000	-0.451	0.000	0.000	0.000	-0.129	-0.580	8.133	0.735	0.000	0.088	8.956
Car Parking	-6.641	0.046	0.793	0.000	-1.199	0.000	0.000	-0.180	0.000	0.000	0.000	-0.180	-7.181	9.292	0.000	0.000	2.111
Waste	27.023	0.051	0.313	0.000	-0.147	2.500	-0.680	0.000	0.000	0.000	-0.680	-0.680	29.060	2.898	0.000	0.396	32.354
Leisure	3.980	0.277	-0.088	0.374	-0.333	0.000	-0.250	-0.091	0.000	0.000	-0.480	-0.821	3.389	4.877	0.000	0.000	8.266
Economy & Enterprise	4.829	0.060	0.000	0.000	0.000	0.000	0.000	-0.188	0.000	0.000	-0.572	-0.760	4.129	0.000	0.000	0.000	4.129
Development Services	1.138	0.042	0.000	0.720	0.000	0.923	0.000	-0.560	0.000	0.000	-0.225	-0.785	2.038	4.708	0.000	0.000	6.746
Strategic Housing	2.016	0.025	0.000	1.334	0.000	0.000	0.000	-0.184	0.000	0.000	-0.242	-0.426	2.949	0.332	0.000	0.977	4.258
Management & Business	1.339	0.003	0.000	0.000	0.000	0.000	0.000	-0.105	0.000	0.000	-0.094	-0.199	1.143	0.018	0.000	0.000	1.161
Total	81.144	0.604	2.605	3.632	-2.563	3.423	-1.865	-1.900	0.000	0.000	-5.582	-9.347	79.498	25.210	0.000	6.003	110.711
Public Health and Wellbeing																	
Health and Wellbeing	0.345	0.013	-0.032	0.000	0.024	0.000	0.000	-0.197	0.000	0.000	0.000	-0.197	0.153	0.050	0.000	0.000	0.203
Public Protection	3.787	0.001	-0.041	0.060	0.000	0.187	0.000	0.000	0.000	0.000	-0.244	-0.244	3.750	1.038	0.000	0.000	4.788
Community Safety	0.705	0.007	0.000	0.000	0.000	0.000	0.000	-0.043	0.000	0.000	-0.085	-0.128	0.584	0.000	0.000	0.000	0.584
Emergency Planning	0.267	0.022	-0.014	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-0.243	-0.243	0.032	0.000	0.000	0.000	0.032
Total	5.104	0.043	-0.087	0.060	0.024	0.187	0.000	-0.240	0.000	0.000	-0.572	-0.812	4.519	1.088	0.000	0.000	5.607

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Wiltshire Council Proposed Revenue Budget 2011-2012

Department and Service	Revised 2010-2011 Net Base Budget	INFLATION AND DEMAND			INCOME	INVESTMENT	SAVINGS AND EFFICIENCIES						Net Budget Proposal 2011-12	ANALYSIS OF INCOME 2011-12			Gross Budget Proposal 2011-12
		PAY	NON PAY	REDUCTION IN SPECIFIC GRANTS			PROCUREMENT AND COMMISSIONING	PEOPLE AND MANAGEMENT REVIEW	System Thinking Reviews (19%)	WTP & Assets	Other Service Reviews (12%)	TOTAL		Fees / Charges	Grants	Other Income	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Resources																	
Chief Executive	0.477	-0.000	0.000	0.000	0.000	0.090	0.000	0.000	0.000	0.000	-0.060	-0.060	0.507	0.000	0.000	0.027	0.534
Policy & Communications	2.546	0.006	0.000	0.000	0.000	0.000	0.000	-0.337	0.000	0.000	0.000	-0.337	2.216	0.370	0.000	0.000	2.586
Corporate Director	0.195	0.008	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.203	0.000	0.000	0.000	0.203
Finance Teams	13.477	0.038	0.414	2.692	-0.144	0.000	0.000	-0.618	0.000	0.000	-0.750	-1.368	15.109	0.448	3.251	6.653	25.461
Revenues & Benefits	0.207	0.000	0.000	0.000	-0.100	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.107	0.000	132.000	1.232	133.339
HR	3.198	0.008	0.000	0.000	0.040	0.000	0.000	-0.148	0.000	0.000	0.149	0.001	3.247	0.273	0.000	0.010	3.530
ICT	20.214	-0.004	0.000	0.000	0.000	0.000	-1.000	0.000	0.000	0.000	-1.464	-2.464	17.746	0.034	0.000	0.256	18.036
Business Transformation	0.288	-0.001	0.000	0.000	0.000	0.000	0.000	-0.069	0.000	0.000	-0.025	-0.094	0.193	0.000	0.000	0.000	0.193
Procurement	2.346	0.012	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.358	0.000	0.728	0.072	3.157
Legal & Democratic	4.820	0.040	0.058	0.000	0.000	0.000	0.000	-0.344	0.000	0.000	-0.346	-0.690	4.227	0.230	0.000	0.549	5.006
Performance & Risk	0.388	0.002	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-0.047	-0.047	0.343	0.000	0.000	0.004	0.347
Shared Services and Customer Care	5.516	0.159	0.025	0.079	-0.010	0.000	0.000	-0.385	0.000	0.000	-0.548	-0.933	4.836	1.703	0.000	0.202	6.740
Strategic Property Services	12.886	0.019	0.244	0.000	0.454	0.000	-0.310	0.000	0.000	-0.175	-0.238	-0.723	12.880	3.677	0.000	1.410	17.967
Total	66.558	0.286	0.741	2.771	0.240	0.090	-1.310	-1.901	0.000	-0.175	-3.329	-6.715	63.971	6.735	135.979	10.414	217.099
Corporate																	
Movement To/ From Reserves	1.875	0.000	-0.608	0.000	0.000	-2.033	-0.845	-0.250	-0.006	0.000	0.000	-1.101	-1.867	0.000	0.000	0.000	-1.867
Capital Financing	26.159	0.000	0.000	0.000	0.000	-3.588	0.000	0.000	0.000	-0.150	0.000	-0.150	22.321	0.000	0.000	0.000	22.321
Redundancy Costs	0.000	0.000	0.000	0.000	0.000	4.000	0.000	0.000	0.000	0.000	0.000	0.000	4.000	0.000	0.000	0.000	4.000
Investment: Broadband	0.000	0.000	0.000	0.000	0.000	0.323	0.000	0.000	0.000	0.000	0.000	0.000	0.323	0.000	0.000	0.000	0.323
Investment: Leisure	0.000	0.000	0.000	0.000	0.000	0.316	0.000	0.000	0.000	0.000	0.000	0.000	0.316	0.000	0.000	0.000	0.316
Investment: Housing (PF)	0.000	0.000	0.000	0.000	0.000	0.084	0.000	0.000	0.000	0.000	0.000	0.000	0.084	0.000	0.000	0.000	0.084
Investment: Communities (Big Society)	0.000	0.000	0.000	0.000	0.000	0.200	0.000	0.000	0.000	0.000	0.000	0.000	0.200	0.000	0.000	0.000	0.200
Investment: Energy Efficiency and	0.000	0.000	0.000	0.000	0.000	1.100	0.000	0.000	0.000	0.000	0.000	0.000	1.100	0.000	0.000	0.000	1.100
Investment: Economy	0.000	0.000	0.000	0.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	0.000	0.000	1.000
Specific and General Grants	0.000	0.000	0.000	-32.299	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-32.299	0.000	32.299	0.000	-0.000
Total	28.034	0.000	-0.608	-32.299	0.000	1.302	-0.845	-0.250	-0.006	-0.150	0.000	-1.251	-4.822	0.000	32.299	0.000	27.477
2011-12 Budget Requirement	346.243	1.290	3.776	-2.084	-2.067	13.773	-7.400	-8.377	-1.000	-0.325	-13.982	-31.084	329.847	53.910	464.802	19.600	868.159

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Assumptions underlying the 2011-15 budget and Financial Plan

The 2011-15 Financial Plan has been compiled as set out in Section 2 of the report. It includes an assumption of a 0% pay award for all groups of employees. Although incremental increase has been allowed, as well as an element of harmonisation where they apply..

The assumptions around future years' figures are set out in the schedule below .

- √ Service Budgets have been rolled forward and reflect the future year impact of 2011-12 spending requirements and savings proposals as set out in this report. They also include pay award assumed at 0%, 2% and 2% per annum for 2012-15 respectively.
- √ A contingency for price inflation has been included based on likely contractual inflation commitments, subject to assumptions included in the Commissioning and procurement savings. So if procurement savings assume no inflation none has applied.
- √ Assumed 0% increase in employer's superannuation rates following the triennial valuation of the fund in 2010. Given the imminent Hutton Inquiry into the future of local government pensions 0% is also assumed at this stage for year 4. This will be reassessed following the announcement of the next phase of Lord Hutton's review due in March/April 2011.
- √ Costs of servicing existing debt and additional borrowing requirement reflect proposed future capital expenditure.
- √ The running costs arising from the capital schemes, including additional provision for RFI machines in libraries, leisure, waste, and broadband.
- √ Increase employer's national insurance rates from April 2012 as announced in 2010 budget report.
- √ Investment in transformation activity delivering improved outcomes and future years savings.

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- √ Cross cutting savings arising from the transformation investment (procurement, workplace reviews), and review of middle management and vacancies.
- √ Estimate of current interest received from management of cash balances based on average rate of return of 1.0% from April 2011.
- √ Contribution to general balances to bring them to level required as identified at Appendix 7.
- √ Increase of General Formula Grant in line with 2 year settlement for 2012-13 with a continued reduction by 4% in both 2013-14 and 2014-14.
- √ Changes to the Dedicated Schools Grant, including the Pupil Premium in line with the government's 1 year settlement based on existing estimate of pupil numbers with nil increase assumed for 2012-13 onwards.
- √ An increase of 0% council tax level as proposed in the report for 2011-13 and 2.5% in 2013-15.

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General Fund Reserve Risk Assessment

No.	Year	Risk Event	Low = 0% - 25%	Risk %	Potential Net Financial Impact £000	Reserve Requirement			
			Medium = 26% - 50%			High = 51% - 100%	2011-12 £000	2012-13 £000	2013-14 £000
1	2011-12	Potential use of reserves in previous year based on this risk assessment	Low	0%	-	-			
	2012-13		Medium	26%	8,974		2,333		
	2013-14		Medium	26%	11,705			3,043	
	2014-15		Medium	26%	15,645				4,068
2	2011-12	The future years funding settlement is even worse than anticipated	Low	0%	-	-			
	2012-13		Low	0%	-		-		
	2013-14		High	60%	5,000			3,000	
	2014-15		High	60%	5,000				3,000

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No.	Year	Risk Event	Low = 0% - 25%	Risk %	Potential Net Financial Impact £000	Reserve Requirement			
			Medium = 26% - 50%			High = 51% - 100%	2011-12 £000	2012-13 £000	2013-14 £000
3	2011-12	System thinking transformational savings not delivered	Low	10%	500	50			
	2012-13		Medium	30%	16,000		4,800		
	2013-14		Medium	40%	4,000			1,600	
	2014-15		Medium	30%	-				-
3	2011-12	Procurement savings not delivered	Low	15%	6,400	960			
	2012-13		Low	15%	11,000		1,650		
	2013-14		Medium	26%	14,000			3,640	
	2014-15		Medium	26%	800				208

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No.	Year	Risk Event	Low = 0% - 25%	Risk %	Potential Net Financial Impact £000	Reserve Requirement			
			Medium = 26% - 50%			High = 51% - 100%	2011-12 £000	2012-13 £000	2013-14 £000
4	2011-12	Above inflationary increases in non-pay and utilities greater than already provided for in the medium term plan	Low	10%	1,000	100			
	2012-13		Medium	30%	1,000		300		
	2013-14		Medium	30%	1,000			300	
	2014-15		Medium	30%	1,000				300
5	2011-12	Increase in pay costs above pay settlement / assumptions	Low	10%	1,600	160			
	2012-13		Low	10%	1,600		160		
	2013-14		Medium	30%	1,600			480	
	2014-15		Medium	30%	1,600				480

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No.	Year	Risk Event	Low = 0% - 25%	Risk %	Potential Net Financial Impact £000	Reserve Requirement			
			Medium = 26% - 50%			High = 51% - 100%	2011-12 £000	2012-13 £000	2013-14 £000
6	2011-12	Social care costs increase due to greater than forecast demand or complexity	Low	25%	2,000	500			
	2012-13		Low	25%	2,000		500		
	2013-14		Medium	40%	2,000			800	
	2014-15		Medium	50%	2,000				1,000
7	2011-12	Harmonisation costs insufficient / fund harmonisation team	Medium	30%	2,000	600			
	2012-13		Medium	40%	1,000		400		
	2013-14		Low	10%	2,000			200	
	2014-15		Low	10%	2,000				200

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No.	Year	Risk Event	Low = 0% - 25%	Risk %	Potential Net Financial Impact £000	Reserve Requirement			
			Medium = 26% - 50%			High = 51% - 100%	2011-12 £000	2012-13 £000	2013-14 £000
8	2011-12	Service savings not delivered	Medium	26%	14,757	3,837			
	2012-13		Medium	26%	5,000		1,300		
	2013-14		Low	10%	-			-	
	2014-15		Low	10%	-				-
9	2011-12	Partnership liability gives rise to grant claw back guarantees	Low	5%	1,000	50			
	2012-13		Low	10%	1,000		100		
	2013-14		Low	10%	1,000			100	
	2014-15		Low	5%	1,000				50

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No.	Year	Risk Event	Low = 0% - 25%	Risk %	Potential Net Financial Impact £000	Reserve Requirement			
			Medium = 26% - 50%			High = 51% - 100%	2011-12 £000	2012-13 £000	2013-14 £000
10	2011-12	Insurance liability/claims premiums /level of deductibles rise above provision	Medium	26%	500	130			
	2012-13		Medium	30%	500		150		
	2013-14		Medium	30%	500			150	
	2014-15		Medium	30%	500				150
11	2011-12	The level of funds within the self insurance fund is unable to cover a catastrophic incident affecting our buildings, including schools.	Medium	30%	2,500	750			
	2012-13		Medium	30%	2,500		750		
	2013-14		Medium	30%	2,500			750	
	2014-15		Low	15%	2,500				375

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No.	Year	Risk Event	Low = 0% - 25%	Risk %	Potential Net Financial Impact £000	Reserve Requirement			
			Medium = 26% - 50%			High = 51% - 100%	2011-12 £000	2012-13 £000	2013-14 £000
12	2011-12	H & S breaches resulting in legal action. New legislation means increased monitoring and requirements. A new reporting system will help identify trends.	Low	10%	200	20			
	2012-13		Low	10%	200		20		
	2013-14		Low	10%	200			20	
	2014-15		Low	10%	200				20
13	2011-12	Employment tribunal action	Medium	30%	1,000	300			
	2012-13		Medium	30%	1,000		300		
	2013-14		low – 20%	15%	1,000			150	
	2014-15		low – 20%	15%	1,000				150

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No.	Year	Risk Event	Low = 0% - 25%	Risk %	Potential Net Financial Impact £000	Reserve Requirement				
			Medium = 26% - 50%			2011-12 £000	2012-13 £000	2013-14 £000	2014-15 £000	
			High = 51% - 100%							
14	2011-12	Levies from partner organisations could exceed increases in matched funding	Low	10%	400	40				
	2012-13		Low	10%	450		45			
	2013-14		Low	10%	500			50		
	2014-15		Low	10%	550				55	
15	2011-12	MTFP provides for additional revenue funding to meet additional costs arising from capital investment but costs may be understated	Low	2%	1,500	23				
	2012-13		Low	15%	1,500		225			
	2013-14		Medium	30%	3,000			900		
	2014-15		Medium	30%	5,000				1,500	

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No.	Year	Risk Event	Low = 0% - 25%	Risk %	Potential Net Financial Impact £000	Reserve Requirement				
			Medium = 26% - 50%			2011-12 £000	2012-13 £000	2013-14 £000	2014-15 £000	
			High = 51% - 100%							
16	2011-12	Major fraud	Low	5%	100	5				
	2012-13		Low	5%	100		5			
	2013-14		Low	5%	100			5		
	2014-15		Low	5%	100				5	
17	2011-12	LG Pension Scheme – employer contribution increase above budget	Low	0%	2,000	-				
	2012-13		Low	0%	2,000		-			
	2013-14		Low	0%	2,000			-		
	2014-15		Medium	50%	8,000				4,000	

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No.	Year	Risk Event	Low = 0% - 25%	Risk %	Potential Net Financial Impact £000	Reserve Requirement			
			Medium = 26% - 50%			2011-12 £000	2012-13 £000	2013-14 £000	2014-15 £000
			High = 51% - 100%						
18	2011-12	Failure to collect debt beyond provision	Low	10%	1,000	100			
	2012-13		Low	10%	1,000		100		
	2013-14		Low	10%	1,000			100	
	2014-15		Low	10%	1,000				100
19	2011-12	Adverse winter increases call on operational costs	Medium	30%	2,000	600			
	2012-13		Medium	30%	2,000		600		
	2013-14		Low	15%	2,000			300	
	2014-15		Medium	30%	2,000				600

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No.	Year	Risk Event	Low = 0% - 25%	Risk %	Potential Net Financial Impact £000	Reserve Requirement			
			Medium = 26% - 50%			High = 51% - 100%	2011-12 £000	2012-13 £000	2013-14 £000
20	2011-12	Unforeseen events / contingency	Low	10%	2,000	200			
	2012-13		Low	10%	2,000		200		
	2013-14		Medium	50%	3,000			1,500	
	2014-15		High	75%	4,000				3,000
21	2011-12	Fluctuation in borrowing costs/interest receipts.	Low	10%	-1,000	-100			
	2012-13		Medium	50%	-1,000		-500		
	2013-14		Medium	50%	-1,000			-500	
	2014-15		Medium	50%	-1,000				-500

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No.	Year	Risk Event	Low = 0% - 25%	Risk %	Potential Net Financial Impact £000	Reserve Requirement			
			Medium = 26% - 50%			2011-12 £000	2012-13 £000	2013-14 £000	2014-15 £000
			High = 51% - 100%						
22	2011-12	The council is unsuccessful in securing PFI credits for housing / adult care and funds from prudential borrowing.	Low	50%	1,000	500			
	2012-13		Low	20%	2,000		400		
	2013-14		Low	20%	4,000			800	
	2014-15		Low	20%	5,000				1,000
23	2011-12	Waste recycling performance does not improve resulting in Landfill Allowance Tax liabilities above budget	Low	15%	1,000	150			
	2012-13		Low	10%	1,000		100		
	2013-14		Low	5%	2,000			100	
	2014-15		Low	5%	2,000				100

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No.	Year	Risk Event	Low = 0% - 25%	Risk %	Potential Net Financial Impact £000	Reserve Requirement				
			Medium = 26% - 50%			2011-12 £000	2012-13 £000	2013-14 £000	2014-15 £000	
			High = 51% - 100%							
24	2011-12	Equal Pay claims required to settle around 'unlawful' protection payments.	Low	10%	-	0				
	2012-13		Low	10%	1,000		100			
	2013-14		Low	10%	12,000			1,200		
	2014-15		Low	10%	5,000				500	
TOTALS						8,974	11,705	15,645	16,293	

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