

## **2020 Budget Speech – by Cllr Simon Jacobs, Cabinet Member for Finance and Procurement – 25 February 2020**

Mr Chairman thank you,

This is my first budget speech unlike Mr Javid and I very much hope that it won't be my last, so I had better make sure it's a good one and I manage to keep you all awake.

To help in my mission to enlighten, inform and keep you awake I am not planning on a rerun of my Cabinet presentation at the beginning of the month or of my Members' briefing in late January. Many of the questions that members had over the 20/21 budget and the MTFS (medium term financial strategy) were aired then or at the Financial Task Group before going on to Overview and Scrutiny.

Today's speech is the culmination of many hours of work that has been carried out by an army of officers across the whole

Council. The time and effort that has gone in to this cannot be underestimated and I would like to thank everybody who has been involved with it, in particular, the finance team headed up by Deborah Hindson, our interim FD, Matthew Tiller, our chief accountant, Lizzie Watkin, our deputy 151, Ian Brown, head of Revs and Bens.

I would also like to thank key finance and corporate staff including Leanne Sykes, Neil Haddock, Marie Taylor, David Marshall, Toby Eliot, and of course the new CEOs for People and Place, Terence Herbert and Alistair Cunningham. I should also mention the Directors and their staff, their input has been invaluable, so a big THANK YOU to Claire Edgar, Ian Robinson, Simon Hendeby, Jo Pitt, Ian Gibbons, Jess Gibbons (no relation!), Helean Hughes, Emma Legg, Helen Jones, Lucy Townsend, (are they related?!) Robin Townsend, Parvis Khansari, Sam Fox and Tracy Daskiewicz. It is fantastic isn't it that these officers – with all their experience, depth of knowledge are so totally committed to Wiltshire.

So as a Full Council what duties are we to perform this morning, aside from staying awake?

- 1. We have to agree the budget for 2020/21**
- 2. Approve the growth and savings proposals summarised in the report to provide a net revenue budget for 2020/21 of £344.023m**
- 3. Agree to:**
  - a. Set the Council's total net expenditure budget for 2020/21 at £344.023m**
  - b. Set a Council Tax increase of 1.99% and a Social Care Levy increase of 2%**
  - c. Delegate changes in fees and charges as set out in Section 9**
  - d. Set a 2.7% increase for social dwelling rents (CPI plus 1%)**
  - e. Set the HRA (housing revenue account) budget for 2020/21 at £30.302m expenditure and**
  - f. All service charges related to the HRA being increased to cover costs, capped at an increase of £5**

**per week for those not on housing benefits and  
garage rents increased by 1.7% (CPI)**

**4. Endorse the MTFs and receive regular updates on the  
delivery against strategy to Cabinet.**

**5. Note the budget gap of £69.527m for the MTFs over  
the period of 2021/22 -2024/25**

So pretty straight forward! But before we open the floor to debate, I would like to take you on a journey, a journey of transformation, a journey that sees this authority save money not by cutting services but by becoming increasingly more efficient and business like in everything we do.

We have already come a long way but there is still much to do and it is here I would like to focus your attention.

The Journey really began back in 2009 when Wiltshire Council, with Baroness Jane Scott acting as midwife, was 'born' – no mean feat I hear those of you who were around in those days

muttering. We forget just how much resistance there was (particularly from the old districts) however with the benefit of hindsight it was the very best thing that could have happened. Jane's foresight and vision will go down in the history books and as many of you may know Jane resigned as a Member last week and I would just like to take this opportunity to thank her on your behalf for everything that she has done for Wiltshire and wish her all the very best in her new role as a Baroness in Waiting in the House of Lords.

The last 11 years have been extraordinary as this authority has developed. New ways of working and new places to work have brought about real change. The complete redevelopment and refurbishment of County Hall epitomised this as the 'open plan' office approach was adopted and old working practices transformed. These changes have brought about significant savings and improved services.

As we reach WC's 11<sup>th</sup> birthday we need to look ahead at how we manage the next 10 years. As the Leader alluded to, we have a growth problem and not a budget problem. My aim therefore over the next few hours sorry minutes (just checking you're still awake!) is to try and explain what we mean by that.

In terms of the budget we see income increasing year on year by about £10m per year. I would remind you that we receive no Revenue Support Grant from Government. This income is generated by Wiltshire for Wiltshire through increases in council tax, new house building and business rate income . We are still waiting for the Government to finalise its long-awaited Fairer Funding Review and for Boris and his team to produce their plans for Adult Social Care. These have been promised by the end of the year...! This all bodes well and will end the financial uncertainty that has frustrated local government finance for some considerable time.

Looking ahead our income - as Philip said - will be further boosted by the activities of Stone Circle (Housing) and Stone Circle (Development) that will be joined very soon by Stone Circle (Energy) – all will be making significant long-term contributions to our 'bottom line'.

WC does not work in isolation and we enjoy an array of partnerships across our services. We share best practice and continue to transform and innovate whether it be with our private care providers or our highway contractors, from our business and development partners to the Military.

As some of you may know I'm not just a local politician – oh no.. I'm also an estate agent so doubly abused! Since the New Year my offices in Devizes and Marlborough have seen a significant increase in calls, viewings, instructions and offers. Estate agents always tend to be the first to feel the effects of a downturn and there is no doubt that the uncertainty surrounding Brexit since the 2017 general election has made things very

difficult for all of us (estate agents included). From the experience of the past 6 weeks I can categorically confirm to you all that Mr and Mrs Certainty are well and truly back!

This new air of certainty bodes very well for Wiltshire – By dint of our geography, we are well placed to take advantage of this rediscovered confidence in the economy. New businesses are attracted to our unique market towns and our business parks such as Porton Down, and Solstice Park. Well established businesses are looking to expand, we have examples in Chippenham, Melksham, Devizes, Corsham and Salisbury where WC is working collaboratively with both city/town councils and local business. We are very keen to reach out to local Wiltshire businesses large and small; working together for the mutual benefit of us all.

There has been a lot in the media recently about HS2 and the likely positive impact it will have on the country's economy from



2030. What I'm very excited about is the economic impact that the £16bn plus Crossrail project is going to have on us all.

Take a train from Chippenham, Pewsey or Bedwyn to Reading and from late 2021 you will be able to connect to the new service and go straight to Heathrow and then on to the City of London and beyond to places that most of us have never heard of! Like Shenfield (only a short hop from our Interim FD's house!)

It will change the shape of the commuter rings and we are likely to see a marked increase in population and economic activity here in Wiltshire.

Working with the LEP and Trans Wilts, WC is very keen to promote new stations and I can confirm that detailed discussions are ongoing.

Over the last six years or so we have been very busy working with the Military and their move back from Germany. It has not been easy with over 4,000 troops plus their families moving into

new barracks and quarters in and around Larkhill, Tidworth and Bulford. The MOD has registered over 600 new homes with us in the past year alone.

New schools, doctors' surgeries and other vital local services have had to be built. All this investment is already bearing fruit. Many of these servicemen and women are being encouraged to buy houses in the County and to put down roots. Their children are being educated here and the days of army families following their spouses all around the world are over.

We're now seeing the non-serving spouse being encouraged back to work and looking ahead to end of service the retiring spouse is looking for civilian employment and opportunities here in Wiltshire. These are highly trained and disciplined people who will make a significant contribution to Wiltshire's economy.

We must however not take them for granted and be mindful of the Military Covenant that we have all signed up to.

Working with central government we're investing heavily in our infrastructure, examples include Chippenham's 75m housing infrastructure funding and the recent news of the £135m for the Melksham by pass.

This is all very exciting, innovative and business like and will help to contribute to WC's income in the coming years.

However, I now want to turn your attention to GROWTH – when we talk about growth we're NOT talking about growth in a positive way, we're talking about budget pressures; growth in demand for our services and in particular Adults', Children's and LD. As you all know they account for circa 62p in every pound we spend. Not only do we have to deal with the inflationary risk of the cost of these services, but we are seeing an ever-increasing aging population and thanks to medical advances in the care of very premature babies, a significant increase in the number of children with SEN.

Despite the cost pressures the budget also includes growth for investment in our services and in our priorities, for example capital financing costs to secure infrastructure investment and the new Climate Change team.

But in simple terms, it is the growth in adults and children's areas that is causing us the financial pain and why we have a circa £69m funding gap between 2021/22 and 2024/25.

'So, what are we going to do about it?' I hear you all ask. Over the last couple of years and thanks in part to the work of our dear friend and colleague Jerry Wickham we have as an authority adopted and implemented some truly innovative and silo busting programmes that are completely transforming the way we go about our work.

These programmes include the Adults' MASH (Multi Agency Safeguarding Hub) – created almost two years ago, and

modelled on our very successful Children's version, this programme, as its name implies, has three statutory agencies the LA, Police and CCG (NHS) all working together at both operational and managerial levels. This has improved central oversight, increased consistency in terms of timeliness and decision making and has led to earlier intervention in all aspects of safeguarding – this has inevitably led to significant savings. Their focus now is to expand this partnership through the development of a Virtual Partners' Network.

The second programme that is now making a real difference to people's lives and saving money is the new **Reablement Service**. Reablement is a free, short and intensive service, normally lasting a maximum of 6 weeks. It is usually delivered in a person's home. It is offered to people with disabilities and those who are frail or recovering from an illness or injury. It is typically, but not necessarily, provided when someone first leaves hospital.

The aim is to maximise a person's independence and **reduce or eliminate** their need for costly on-going domiciliary care in their own homes OR at a considerably higher cost in a care home.

Savings to date on the main reablement service are over £3m and we expect to deliver a further £2.8m in this budget. Please remember that this is cumulative! These figures will continue to rise as the service is expanded to encompass a cohort of people who are currently not offered it, for example those people who are discharged from hospital to an independent sector nursing home.

The final programme that I want to draw your attention to is the **FACT programme**. FACT stands for Families and Children's Transformation Programme, established in early 2018, this is another multi-agency organisation. They work together to significantly improve the chances of families and children who

are struggling by investing in early support, thereby reducing the pressure on Children's Social Care.

Acting early to support children at risk of poor outcomes it can build healthier, happier and more productive communities and produce a range of economic benefits such as higher employment rates, savings to health and social care, criminal justice and social security systems.

The FACT programme is also completing on the delivery of the **Stronger Families Team**, offering more intensive early intervention to teenagers to avoid family or placement breakdown. This programme will lead to significant ongoing savings in excess of £1m per year.

What I'm endeavouring to illustrate here is that by smashing down the silo walls and by working together we can be so much more efficient and innovative in everything we do. Our multi-

agency approach working with the police and the CCGs is a win/win and we are doing everything we can to expand this.

Finally, I want to talk briefly about Enterprise Resource Planning (ERP) – What is it? Here I turned to Wikipedia and discovered that it's the integrated management of the main business processes, often in real time and mediated by software and technology. To put it as simply as possible it enables WC to collect, store, manage and interpret data from many business activities.

Currently we are working with a system that is as old as the authority and it would not be unfair to say that the implementation of the SAP system was not done as well as it might have been. The upshot of all this is that we now have a system that is simply not fit for purpose. In almost every area of our business we are not able to be as efficient and effective as



we could be if we had more modern, more robust and more joined up system across finance, procurement and HR.

We have now commenced on another journey to update our finance and HR system – this is a huge piece of work and will impact on all of us. It will revolutionise the way we work and will enhance the lives of our staff and our residents as well as those of our suppliers, large or small, new or established that we do business with.

We have just commenced on the procurement process to select the right ‘off the shelf’ ERP system that will work best for us. In the meantime, the implementation process is being discussed and planned in minute detail. This is culture changing stuff and we all know that ‘culture eats strategy for breakfast’. Just as you only get one chance to make a good first impression, so we must ensure that we get the

implementation of the new system right first time. Our plan is to have the new ERP system up and running by April 2022.

This approach is fully aligned with our digital strategy where we need to use technology to the best advantage. As an example - how many of you are signed up to e-billing for your council tax bills? You have e-billing for your electricity and your mobile phone – why not your CT bill? In this council we issue 222,500 CT bills with only 5,000 being issued electronically - less than 3%; costing us £80,000 in postage for annual billing. Please all manage your CT bills on line through the portal and save the council money!

We also want to take a data-driven approach to procurement and focus our interventions on the areas that are important to us and the people of Wiltshire such as the Climate Emergency. We can reduce carbon output by developing a better understanding of our supply chains; we can ensure that our economy, people and business continue to prosper AND make our target to be a carbon neutral Council by 2030.

I have been a councillor for just shy of 7 years – still a relative ‘newbie’! I am still struck by the total professionalism and dedication of the officers and staff who work in this amazing organisation - over 300 services and in many areas dealing with very complex cases and situations that require extraordinary levels of patience, care and emotional intelligence.

I salute you all and on behalf of the Members of all political colours -‘Thank you’!

I would also just like to say a BIG ‘Thank you’ to all of you members. As a back bencher sometimes you are not appreciated as much as you should be. The task groups, the working groups and the committees simply couldn’t happen without you. Your knowledge and experience help to ensure that we deliver the very best services we can for the people of Wiltshire.

There is an old Chinese curse that roughly translated is ‘May you live in Interesting times’! I believe over the last few years we may well have been dealing with that curse – with a General Election and the 31<sup>st</sup> Jan behind us, I believe we are now living in exciting times with much to do and much to look forward to.

I move the proposals as set out in the 2020/21 budget and MTFS Report page 128.

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Chair thank you very much indeed and thank YOU all for staying awake!