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Report of the County Treasurer

Introduction

1. This book details Wiltshire County Council's budget for the financial year 2002-03. The County Council approved the budget on 12 February 2002. The net requirement for the year has been set at £317.312 million, resulting in a precept (the amount to be raised from local taxpayers) of £125.535 million.

What determines the level of spending?

2. As always, Central Government's policies have a major impact on the overall level of revenue expenditure. The most important is the Revenue Support Grant (RSG) settlement which indicates the level of grant and national non-domestic rates the County Council will receive and sets the Standard Spending Assessment (SSA).
3. Central Government has powers to cap authorities that set budgets that are thought to be excessive and the Council is mindful of this when setting the budget.
4. The Government increased the SSA and associated government funding by around 6.2% for Wiltshire. As members felt the electorate would not accept the service reductions implicit in holding the Council Tax increase at this level the actual increase in County Council expenditure was 8.2%. This increase allows the County Council to maintain essential services. However, due to the "gearing effect" this results in a Council Tax increase of 9.9%.
5. This year there are a number of changes that have affected the funding and responsibility for services:
 - The transfer of sixth form funding to the Learning and Skills Council has left the Council almost £1 million worse off.
 - Wiltshire County Council inherited a £5 million financial responsibility for preserved rights of clients in residential homes, but the Government grant will be only £4 million.
 - The grant for promoting independence has fallen from £2 million to £1 million in 2002-03, because there is no continuing provision for winter pressures.
6. Against this, pressures on the budget have come from two main sources, increased demand for successful services and increased but unavoidable costs. The most significant of these are:
 - The increasing demands of adults with learning difficulties with an additional 126 clients or 8% increase over this year
 - The provision of a suitable 5% increase to school budgets
 - The increasing backlog of highway maintenance
7. The budget includes resources to fund the levy from the Wiltshire and Swindon Fire Authority, which is shared between the County Council and Swindon Borough Council. Similar arrangements also apply for the Magistrates' Courts.

What is the financial position for 2001-2002

8. The budget for 2001-02 included a planned contribution to the general balances of £1.250 million. There is no definitive guidance that describes an appropriate level of balances although a general principle is that balances should be 2% of net expenditure (after schools funding and adding back specific grants and contributions). Following a risk assessment the contribution to balances was increased in the budget for 2002-03 to £1.7 million so that anticipated balances at 31 March 2002 will be £5.5m.

Wiltshire County Council's Budget for 2002-03

How does this affect the Council Tax for 2002-03

9. The following table shows a breakdown of the reasons for the 9.9% increase in the Band D Council Tax set for 2002-03, compared to 2001-02.

Band D Tax 2001-02			£693.62
<u>Expenditure</u>			
Increased expenditure on services in 2002-03	141.52		
Change in contribution to balances	2.73		
Removal of Council Tax Benefit Subsidy Limitation	-3.90		
Sub total		140.35	
<u>Funding from Grants and Precept</u>			
Increase in Government support	-67.38		
Decrease in collection fund surpluses	3.18		
Sub total		-64.20	
<u>Increase in the Taxbase</u>		-7.17	
			68.98
Band D Tax for 2002-3			£762.60

The reduction in Government support arises because the Government is funding a lower percentage of the County Council's spending in 2002-03 than it did in 2001-02.

What is the level of capital investment in 2002-03?

10. A three year capital programme is operated, which required service departments to draw up bids covering years 2002-03 to 2004-05.
11. To secure additional capital funding the County Council is now required to submit to the Department for Transport, Local Government and the Regions (DTLR) its Corporate Capital Strategy (CCS) and Capital Asset Management Plans (CAMP). These documents outline how the Council intends, through identifying its key priorities, to meet its corporate objectives with its capital programme over the next three years.
12. The three-year capital programme is approved by the County Council from prioritised lists prepared by the Capital Asset Board with reference to the CCS and CAMP documents.
13. The details of the programme are shown within the departments detailed budgets and are consolidated at the back of this publication.
14. The total expenditure in 2002-03 amounts to £46 million, which includes schemes ring-fenced and approved by the DTLR of £27.851 million. These are met by Supplementary Credit Approvals (SCAs), forming part of the Local Transport Plan.
15. Resources available for new starts over which the County Council has discretion in 2002-03 are £5.340 million.

Details of the budget for 2002-03

16. The revenue and capital budgets for each department are analysed in detail in this publication.

Wiltshire County Council's Budget for 2002-03

17. In line with the Best Value Code of Practice, each department's budget includes an element of capital charges to reflect the cost associated with the utilisation of fixed assets.
18. The budget details include for the first time links to key service drivers and performance standards and targets. Work to develop the links is continuing and performance information will expand into all areas of the budget in future years. Further analysis and explanation of these and other performance standards can be found in the Best Value Performance Plan.
19. Full details of the Schools' Budgets are also included in the form of the statutory Section 52 Budget Statement. This identifies the budgets for each school and those held centrally by the County Council.

What consultation has taken place?

20. Consultation meetings have taken place about budget proposals with representatives of business ratepayers, and separately with Trade Unions through the Joint Consultative arrangements.

Appreciation

21. As ever, the budget process puts a considerable strain on many officers, both in my own and other departments. I should like to record my thanks to everyone who has contributed to the successful completion of the process.

Comments on budget information

22. If members have views on the information that should be included in, or excluded from, future publications, I should be pleased to receive them.

Mike Prince
County Treasurer

Wiltshire County Council's Budget for 2002-03

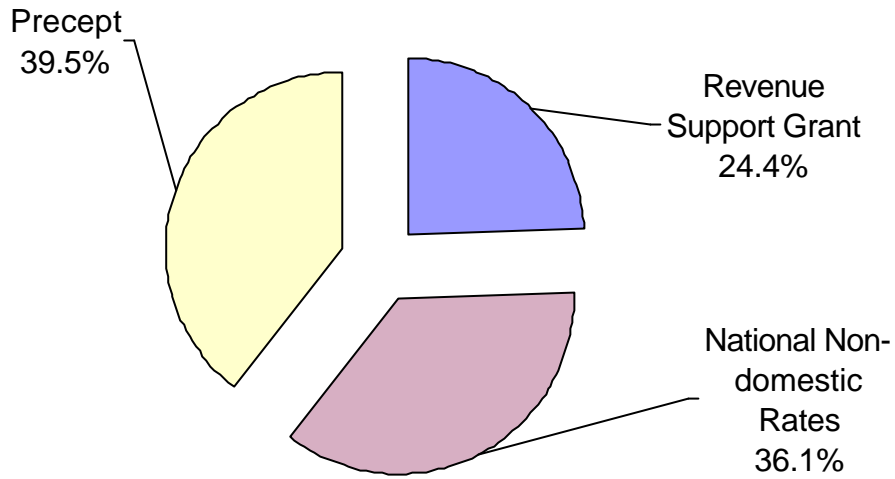
Summary of Net Requirements, Precepts and Balances

The following table provides summary information on the breakdown of the County Council's spending and the source of funding. It also shows the anticipated balances on the County Fund at the year-end.

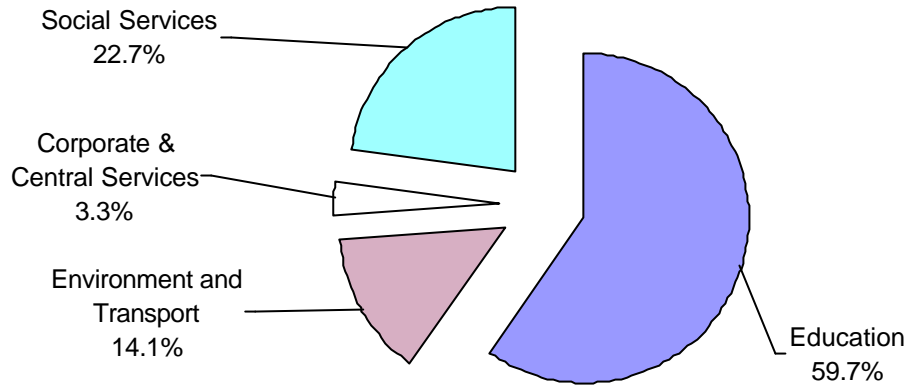
<i>2000-2001 Actual (Out-turn prices)</i>	Department	<i>2001-2002 Budget (Out-turn prices)</i>	<i>2002-03 Budget (Out-turn prices)</i>
£000		£000	£000
178,878	Education	186,190	188,426
39,283	Environment and Transport	39,703	44,378
5,034	Corporate and Central Services	11,112	11,186
67,059	Social Services	68,897	71,627
1,500	Invest-to-Save Fund	-	-
291,754	Total Expenditure	305,902	315,617
-1,521	Movement in balances (see below)	1,250	1,695
290,233	Net budget requirement	307,152	317,312
-79,728	Revenue Support Grant	-89,392	-77,480
-106,409	National Non-domestic Rates	-104,582	-114,739
-562	Collection Fund Surplus(-)/Deficit	77	442
103,534	Precept	113,255	125,535
161,387	Equivalent Band D dwellings for council tax	163,280	164,615
	County Fund Balance		
2,862	At 1 April	974	3,014
290,233	Add: Precept income, RSG and NNDR	307,152	317,312
0	Less: Used to fund rollover	1,949	837
293,095		310,075	321,163
291,754	Less: Net expenditure	305,902	315,617
1,341	At 31 March	4,173	5,546

Analysis of Resources and Spending

Where the money comes from 2002-03



Where the money goes 2002-03



Wiltshire County Council's Budget for 2002-03

Budget Summary 1999-2000 to 2002-03

The following table shows how the resources and spending have changed since 1999-2000.

	1999-2000 £000	2000-01 £000	2001-02 £000	*Adjusted 2001-02 £000	2002-03 £000
Standard Spending Assessment (SSA)	261,572	276,154	289,458	276,097	293,232
Variation from previous year		5.6%	4.8%		6.2%
Budget Requirement	271,430	290,233	307,152	293,230	317,312
Variation from previous year		6.9%	5.8%		8.2%
Variation from SSA	3.8%	5.1%	6.1%		8.2%
Financing of Budget					
Revenue Support Grant	83,479	79,728	89,392	77,303	77,480
Percentage of Total Funding	30.8%	27.5%	29.1%		24.4%
Non-domestic Rates	93,286	106,409	104,582	103,916	114,739
Percentage of Total Funding	34.4%	36.7%	34.0%		36.2%
Precept	94,231	103,534	113,255		125,535
Percentage of Total Funding	34.7%	35.7%	36.9%		39.6%
Surplus/deficit (-) on Collection Funds	434	562	(77)		(442)
Percentage of Total Funding	0.2%	0.2%	0.0%		-0.1%
	271,430	290,233	307,152		317,312
Government Support	176,765	186,137	193,974		192,219
Local Taxpayer	94,665	104,096	113,178		125,093
% from Local Taxpayer	34.9%	35.9%	36.8%		39.4%
Expenditure					
Spending on Services	272,951	289,951	305,902		315,617
Change in Balances	-1,521	282	1,250		1,695
	271,430	290,233	307,152		317,312
Balances at 31 March	3,399	1,341	4,173		5,546
Tax Levels	£	£	£		£
Council Tax - Band D	594.30	641.53	693.62		762.60
Variation from previous year		7.9%	8.1%		9.9%

* Rebased for changes in Government Funding, in particular, Learning and Skills Council.

Wiltshire County Council's Budget for 2002-03

Standard Spending Assessment by Sub-block

SSA Sub Blocks	SSA			SSA Per Head		
	Wiltshire £m	All Shire Counties £m	Wiltshire's Share %	Wiltshire £	All Shire Counties £	Difference £
Primary Education	79.479	4,277.561	1.86%	183.98	184.65	-0.67
Secondary Education	80.751	4,570.197	1.77%	186.92	197.28	-10.36
Post-16 Education	1.362	73.548	1.85%	3.15	3.17	-0.02
Nursery Education	12.828	648.827	1.98%	29.69	28.01	1.68
Other Education	2.320	143.595	1.62%	5.37	6.20	-0.83
Sub total	176.740	9,713.728	1.82%	409.11	419.31	-10.20
Childrens PSS	8.732	547.341	1.60%	20.21	23.63	-3.42
Elderly Res PSS	22.838	1,442.388	1.58%	52.86	62.26	-9.40
Elderly Dom PSS	15.215	928.233	1.64%	35.22	40.07	-4.85
Other PSS	11.058	670.280	1.65%	25.60	28.93	-3.33
Sub total	57.843	3,588.242	1.61%	133.89	154.89	-21.00
Fire	9.488	605.039	1.57%	21.96	26.12	-4.16
Highway Maintenance	18.489	963.297	1.92%	42.80	41.58	1.22
Env, Prot, Cultural (Upper)	12.140	747.550	1.62%	28.10	32.27	-4.17
Env, Prot, Cultural (Lower)	4.627	264.459	1.75%	10.71	11.42	-0.71
National Parks	-	3.631	0.00%	0.00	0.16	-0.16
Flood Defence	1.740	120.502	1.44%	4.03	5.20	-1.17
Coast Protection	-	0.312	0.00%	0.00	0.01	-0.01
Sub total	18.507	1,136.454	1.63%	42.84	49.06	-6.22
Capital Financing	12.165	699.630	1.74%	28.16	30.20	-2.04
Total	293.232	16,706.390	1.76%	678.76	721.16	-42.40

County Statistics

Wiltshire County Council's Budget for 2002-03

<u>Precept 2002-03</u>	Population April 2001	2002-03 Tax base	Precept £000
District Council			
Kennet	79,300	29,206	22,272
North Wiltshire	125,700	48,184	36,745
Salisbury	113,300	43,196	32,942
West Wiltshire	117,600	44,028	33,576
	435,900	164,614	125,535

The tax base is the number of Band D equivalent dwellings for Council Tax purposes, as

Population Estimates

General Population - April	2001	2002	2003	2004
Under 5	26,600	26,400	26,200	26,100
5 to 17	72,300	73,200	73,700	74,000
18 to 64	266,400	268,700	271,100	273,400
65 to 74	36,600	36,800	37,000	37,400
75 to 84	25,300	25,800	26,200	26,500
85 and over	8,700	8,800	8,800	8,900
	435,900	439,700	443,000	446,300

Source: Director of Environmental Services.

School population - January	2001	2002	2003	2004
4 to 10	36,563	36,561	36,626	36,434
11 to 15	24,459	24,937	25,788	26,279
16 and over	3,349	3,362	3,459	3,513
	64,371	64,860	65,873	66,226

Source: Chief Education Officer

Expenditure per Head of Population	2001-02 Average English Counties £	2001-02 Wiltshire £	2002-03 Wiltshire £
Service			
Education	451.14	432.74	453.90
Highways	32.44	28.08	35.29
Libraries	11.85	11.17	11.08
Social Services	174.67	166.38	186.63
Other services	67.71	63.40	30.90
	737.81	701.77	717.80

The figures for Education and Social Services for Wiltshire include the cost of transport provided by the Environmental Services Department, which are included in the budget for Environment and Transport.

Wiltshire County Council's Budget for 2002-03

Service Statistics

<u>Education</u>	2000-01 Actual	2001-02 Actual	2002-03 Estimate
Number of Locally Managed Schools			
Primary	217	217	219
Secondary	34	34	34
Special	6	6	6
Number of Public Libraries (including mobiles)	36	36	36
Number of pupils and students			
Nursery classes	236	215	220
Primary	35,870	35,857	36,210
Secondary	28,031	28,537	28,669
Special	368	389	389
Student Support	N/A	6,500	6,800
Mandatory Awards	6,896	260	50
Discretionary awards	369	-	-
School Awards	N/A	196	196
<u>Environment and Transport</u>	2001-02 Average English Counties	2001-02 Wiltshire Estimate	2002-03 Wiltshire Estimate
Net Expenditure per head of population			
Highways	£34.94	£32.65	£35.79
Transport Revenue Support (Net)	£3.18	£3.50	£3.98
Transport Revenue Support (Gross)	£6.50	£7.50	£8.44
Expenditure per Kilometre on Maintenance			
Principal Roads	£12,597	£12,555	£13,614
Other County Roads	£3,275	£2,704	£3,521
Kilometres of Roads Maintained			
Principal Roads	N/A	569	572
Other County Roads	N/A	3,752	3,779
Number of Gypsy Sites Provided	N/A	97	97
<u>Social Services</u>	2001-02 Average English Counties	2001-02 Wiltshire Estimate	2002-03 Wiltshire Estimate
Net Expenditure on all services per total population	N/A	£157.19	£163.61
SSA for all services per total population	N/A	£126.67	£132.12
Net expenditure on:-			
Children's Services per person under 18	N/A	£162.94	£128.28
Older People per person 65 and over	N/A	£373.67	£314.51
Physical Disabilities per person 18 to 64	N/A	£14.49	£14.90
Learning Disabilities per person 18 to 64	N/A	£62.65	£64.90
Mental Health Services per person 18 to 64	N/A	£14.89	£27.26

Wiltshire County Council's Budget for 2002-03

Summary of Department Estimates 2002-03

DEPARTMENT	REVENUE					
	STAFF COSTS £M	RUNNING COSTS £M	CAPITAL FINANCING £M	GROSS EXPENDITURE £M	INCOME £M	NET EXPENDITURE £M
Education	19.140	195.372	11.307	225.819	37.393	188.426
Environment and Transport	9.973	38.180	5.595	53.748	9.370	44.378
Corporate & Central Services	7.987	14.610	-9.224	13.373	2.187	11.186
Social Services	23.078	79.818	1.451	104.347	32.720	71.627
Balances	-	-	-	-	-	1.695
Total	60.178	327.980	9.129	397.287	81.670	317.312

Summary of Specific Grants

DEPARTMENT	2000-01 Actual £	2001-02 Estimate £	2002-03 Estimate £
Education	23.840	19.022	36.782
Environment and Transport	1.139	1.388	1.744
Social Services	4.476	6.605	11.332
Total	29.455	27.015	49.858

Wiltshire County Council's Budget for 2002-03

SPECIFIC GRANTS AND CONTRIBUTIONS

Department	Budget 2002-03			Changes in					
	Corporate Funding	Specific Grants & contributions	Total Spending	Corporate Funding	Specific Grants & contributions		Total Spending		
	£ million	£ million	£ million	£ million	%	£ million	%	£ million	%
Education									
Funding Schools	136.517	29.479	165.996	-3.202	-2%	12.278	71%	9.076	6%
School Places	11.790	-	11.790	1.945	20%	-	-	1.945	20%
Strategic Services	6.308	-	6.308	0.559	10%	-	-	0.559	10%
Statutory SEN	12.999	2.318	15.317	1.124	9%	0.297	15%	1.421	10%
SEN & Inclusion	4.825	0.201	5.026	0.453	10%	-0.002	-1%	0.451	10%
School Improvement & Intervention	2.935	1.829	4.764	0.623	27%	0.530	41%	1.153	32%
Early Years	2.691	3.285	5.976	0.155	6%	-0.001	0%	0.154	3%
Youth Services	2.275	-	2.275	0.164	8%	-0.008	-100%	0.156	7%
Community Safety	0.180	0.068	0.248	0.020	13%	0.007	11%	0.027	12%
Sports Centres	1.490	-	1.490	0.202	16%	-	-	0.202	16%
Residential Courses	0.207	-	0.207	-0.115	-36%	-	-	-0.115	-36%
Libraries	5.492	0.213	5.705	0.259	5%	0.135	173%	0.394	7%
Heritage	0.717	-	0.717	0.049	7%	-	-	0.049	0%
Total Education	188.426	37.393	225.819	2.236	1%	13.236	55%	15.472	7%
Environment & Transport									
Highways	15.739	-	15.739	1.470	10%	-	-	1.470	10%
Transport	9.357	1.594	10.951	0.583	7%	0.206	15%	0.789	8%
Waste disposal	8.020	-	8.020	0.646	9%	-	-	0.646	9%
Other services	6.288	0.150	6.438	1.835	41%	0.041	38%	1.876	41%
Capital Charges	4.974	-	4.974	0.141	3%	-	-	0.141	3%
Total Environment & Transport	44.378	1.744	46.122	4.675	12%	0.247	1%	4.922	12%
Corporate & Central Services									
Central management	2.666	-	2.666	0.232	10%	-	-	0.232	10%
Corporate grants	0.497	-	0.497	0.010	2%	-	-	0.01	2%
Corporate services	1.799	-	1.799	-0.060	-3%	-	-	-0.060	-3%
County treasurer	10.204	-	10.204	2.665	35%	-	-	2.665	35%
Precepts and levies	14.987	3.463	18.450	0.593	4%	0.225	7%	0.818	5%
Capital Charges	-18.967	-	-18.967	-3.366	22%	-	-	-3.366	22%
Total Corporate & Central Services	11.186	3.463	14.649	0.074	1%	0.225	7%	0.299	3%
Social Services									
Service Strategy (incl. OCU & CDC)	1.718	0.169	1.887	-0.525	-23%	0.045	36%	-0.480	-20%
Children and families	12.644	3.640	16.284	-0.080	-1%	1.418	64%	1.338	9%
Older People	26.962	4.327	31.289	0.675	3%	1.391	47%	2.066	7%
Physical & Sensory Disabilities	4.528	0.125	4.653	0.308	7%	0.020	19%	0.328	8%
Learning Disabilities	17.068	10.149	27.217	2.013	13%	3.334	49%	5.347	24%
Mental Health	7.322	0.985	8.307	0.264	4%	0.356	-	0.620	8%
Capital Charges	1.385	-	1.385	0.075	6%	-	-	0.075	6%
Total Social Services	71.627	19.395	91.022	2.730	4%	6.564	51%	9.294	11%
Balances	1.695	-	1.695	-	-	-	-	-	-
Department Expenditure	317.312	61.995	379.307	9.715	3%	20.272	49%	29.987	9%

Wiltshire County Council's Budget for 2002-03

Summary of Department Funding

DEPARTMENT	2002-03			2003-04			2004-05		
	WCC Revenue Budget £m	External Revenue Funding £m	Capital Programme £m	WCC Revenue Budget £m	External Revenue Funding £m	Capital Programme £m	WCC Revenue Budget £m	External Revenue Funding £m	Capital Programme £m
Education	188.4	37.4	14.9	199.8	37.4	16.2	200.5	37.4	2.5
Environment and Transport	44.4	1.7	30.6	46.4	1.6	16.1	48.5	1.5	15.8
Corporate & Central Services	11.2	0.0	0.4	13.4	0.0	0.0	16.0	0.0	0.0
Social Services	71.6	33.4	0.5	73.9	34.5	0.3	76.4	35.7	0.2
Total	315.6	72.6	46.4	333.5	73.5	32.6	341.4	74.6	18.5