

AGENDA

Meeting: **Cabinet**

Place: **The Kennet Room, County Hall, Bythesea Road, Trowbridge, BA14 8JN**

Date: **Tuesday 11 June 2019**

Time: **9.30 am**

Please direct any enquiries on this Agenda to Stuart Figini, of Democratic Services, County Hall, Trowbridge, direct line 01225 718221 or email stuart.figini@wiltshire.gov.uk

Press enquiries to Communications on direct lines (01225)713114/713115.

All public reports referred to on this agenda are available on the Council's website at www.wiltshire.gov.uk

Membership:

Cllr Baroness Scott of Bybrook OBE	Leader of Council
Cllr John Thomson	Deputy Leader, and Cabinet Member for Communications, Communities, Leisure and Libraries (and interim - Adult Social Care, Public Health and Public Protection)
Cllr Pauline Church	Cabinet Member for Economic Development and South Wiltshire Recovery
Cllr Richard Clewer	Cabinet Member for Housing, Corporate Services, Arts, Heritage and Tourism
Cllr Laura Mayes	Cabinet Member for Children, Education and Skills
Cllr Toby Sturgis	Cabinet Member for Spatial Planning, Development Management and Property
Cllr Bridget Wayman	Cabinet Member for Highways, Transport and Waste
Cllr Philip Whitehead	Cabinet Member for Finance, Procurement, ICT and Operational Assets

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Please see the agenda list on following pages for details of deadlines for submission of questions and statements for this meeting.

The full constitution can be found at [this link](#). Cabinet Procedure rules are found at Part 7.

For assistance on these and other matters please contact the officer named above for details

Part I

Items to be considered while the meeting is open to the public

Key Decisions Matters defined as 'Key' Decisions and included in the Council's Forward Work Plan are shown as 

1 Apologies

2 Minutes of the previous meeting

To confirm and sign the minutes of the Cabinet meeting held on 22 May 2019, previously circulated.

3 Declarations of Interest

To receive any declarations of disclosable interests or dispensations granted by the Standards Committee.

4 Leader's announcements

5 Public participation and Questions from Councillors

The Council welcomes contributions from members of the public. This meeting is open to the public, who may ask a question or make a statement. Questions may also be asked by members of the Council. Written notice of questions or statements should be given to Stuart Figini of Democratic Services stuart.figini@wiltshire.gov.uk 01225 718221 by 12.00 noon on 5 June 2019. Anyone wishing to ask a question or make a statement should contact the officer named above.

6 Disposal Programme (Pages 7 - 18)



Report by Executive Director, Alistair Cunningham

7 Revenue and Capital Budget Monitoring Outturn 2018/2019 (Pages 19 - 150)

Report by Executive Director, Alistair Cunningham.

8 **Treasury Management Outturn 2018/19** (Pages 151 - 170)

Report by Executive Director, Alistair Cunningham.

9 **Partnership Working Framework** (Pages 171 - 186)

Report by the Executive Directors.

10 **Local Code of Corporate Governance** (Pages 187 - 208)

Report by the Executive Directors.

11 **Award of the New Highways Term Consultancy Contract** (Pages 209 - 220)



Report by Executive Director, Alistair Cunningham.

12 **Acquisition of Operational Asset** (Pages 221 - 224)



Report by Executive Director, Alistair Cunningham.

13 **Urgent Items**

Any other items of business, which the Leader agrees to consider as a matter of urgency.

Part II

Items during consideration of which it is recommended that the public should be excluded because of the likelihood that exempt information would be disclosed

14 **Exclusion of the Press and Public**

This is to give further notice in accordance with paragraph 5 (4) and 5 (5) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 of the intention to take the following item in private.

To consider passing the following resolution:

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Item

Numbers 15 and 16 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

Reason for taking item in private:

Paragraph 3 - information relating to the financial or business affairs of any particular person (including the authority holding that information).

15 Award of New Highways Term Consultancy Contract *(Pages 225 - 242)*

 Report by Executive Director, Alistair Cunningham.

This item is exempt due to the financial information provided in the report.

16 Acquisition of Operational Asset *(Pages 243 - 250)*

 Report by Executive Director, Alistair Cunningham.

This item is exempt due to the financial information provided in the report.

Our vision is to create stronger and more resilient communities. Our priorities are: To protect those who are most vulnerable; to boost the local economy - creating and safeguarding jobs; and to support and empower communities to do more themselves.

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Wiltshire Council

Cabinet

11 June 2019

Subject: Disposal Programme

Cabinet members: Councillor Toby Sturgis - Cabinet Member for Spatial Planning, Development Management and Strategic Property

Key Decision: Key

Executive Summary

The council has a programme of sites that are surplus to operational requirements and disposal or reuse for alternate purposes generated capital to support Councils overall Capital Programme. This report sets out the proposed disposals for the next three financial years, in Appendix 2, and provides an assessment of the likely capital receipt to be generated. The report further seeks approval to declare specific sites surplus and capable of review to determine the best financial return for the council. The 6 assets to be declared surplus are listed in Appendix 3.

Proposal(s)

- That Members note the position in respect of disposals for financial years 2019/20, 2020/21 and 2021/22
- That members confirm that freehold interest of the 6 assets can be sold by the Council.
- Authorise the Director for Housing and Commercial Development to dispose of the freehold interest in the assets or in his absence the Corporate Director for Growth, Investment and Place.

Reason for Proposal

To note the current position in respect of capital receipts and confirm the freehold interest in the assets can be sold to either generate capital receipts in support of the Council's capital programme or reuse to generate income for the Council.

Alistair Cunningham
Corporate Director – Growth, Investment and Place

Subject: Disposal Programme

Cabinet members: Councillor Toby Sturgis - Cabinet Member for Spatial Planning, Development Management and Strategic Property

Key Decision: Key

Purpose of Report

1. The purpose of this report is to note the current position in respect of capital receipts and confirm the freehold interest in the assets can be sold to either generate capital receipts in support of the Council's capital programme or reuse to generate income for the Council. The freehold interest in the 6 assets referred to in Appendix 3 are to be declared specific sites surplus and capable of review to determine the best financial return for the council.

Relevance to the Council's Business Plan

2. The disposal of assets raises capital to assist and support the Council's medium term financial plan (MTFP) which subsequently supports the Council's Business Plan and its aims and targets. Specifically, the business plan describes taking *a commercial approach to managing assets* as part of the *Working with partners as an innovative and effective council priority*.

Main Considerations for the Council

3. On 26th March 2019, Cabinet approved a revised approach to disposal of surplus assets, as set out in Appendix 1. This report sets out the current position for disposals and capital receipts.
4. Once assets are declared surplus each site will be considered by the Asset Gateway Group to determine the best financial return for the Council, during which time other uses of the sites will be considered.
5. In addition, the 6 assets listed in Appendix 3 are recommended for declaring surplus and capable of review.

Background

6. The receipt of capital from the sale of assets is used to support the capital programme of investment in the communities of Wiltshire. Examples of the types of investment made and programmed to be made are provided in the Council's Budget but they range from investment in better roads, waste

collection and recycling, extra care homes, health and wellbeing centres and initiatives to provide better and more efficient customer access to Council services.

7. Running, managing and holding assets is expensive but with careful investment as described above, services can be transformed and delivered in a way that improves customer satisfaction and relies less on needing a building/asset for service delivery.
8. Assets then become surplus to the core requirements of the Council and are available for alternate uses. One option is disposal where the capital realised can then be used to support further investment.
9. At Cabinet on 12 September 2017, the Cabinet resolved that the Council would not consider domestic / low value requests for land purchases. By way of background, the Council receives a number of requests for purchase of land, ranging from small scale residential/domestic requests to larger site purchases. Resource is currently not available for a number of the domestic / low value requests to be considered and below sets out 3 tests that need to be met for the Council to consider such disposals:
 - a. The land in question is not held by the Council as public open space
 - b. The purchaser will pay all costs associated with the disposal (internal and external surveyor and legal costs)
 - c. The land is being sold to support a wider Council objective or being supported / promoted by department of the Council (for example the Housing Revenue Account)

Overview and Scrutiny Engagement

10. The Financial Planning Task Group considered the revised approach to disposal of surplus assets in March 2019. It will review this report on 6 June 2019 and its comments will be reported to Cabinet.

Safeguarding Implications

11. There are no safeguarding implications with this proposal.

Public Health Implications

12. There are no public health implications with this proposal.

Procurement Implications

13. The decision to dispose of the freehold interest does not have any direct procurement implications. However, when the appointment of agents to market the assets or when pre-marketing surveys are required, their procurement is carried out in accordance with the Council's procurement rules and policies.

Equalities Impact of the Proposal

14. None

Environmental and Climate Change Considerations

15. Where a sale envisages potential development, any environmental and/or climate change issues are best considered through the planning application process.

Risk Assessment

16. Regular reports on progress of property disposals are provided to this Committee within the Capital Monitoring Report. These reports are based on a review of risks of each disposal that takes into account legal issues and 3rd party interests over the asset, planning, market conditions and other factors to review and adjust future receipt out turn forecasts.

Risks that may arise if the proposed decision and related work is not taken

17. The MTFP for the Council is, in part, dependent on the success of the disposal of property and assets. Failure to decide to declare new freehold interests to be sold or failure to sell those that are currently declared will impact on the council's ability to achieve its business plan.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

18. A risk that may arise is that due to legislative or other changes a service need arises for an asset after it has been sold and the Council then has to look to acquire or rent in an asset. However, the list of assets has been considered by the Corporate Directors and Directors and no service has identified a need that could be fulfilled by any of the properties on the list in Annex I.

Financial Implications

19. As explained above, the realisation of capital from the sale of assets is used to support the MTFP and Council Business Plan. Reducing sales and the delivery of capital receipts will reduce the amount that the Council can invest in its communities and/or be used to reduce borrowings and thus free up revenue for delivering services. The disposal of surplus assets is not only integral to the council's medium term financial planning but often makes good asset management sense too.

Legal Implications

20. There are no legal implications with the paper other than it will result in legal work to formalise them. In respect of the assets being put forward as part of this report, each asset is to be sold at or above market value, thereby ensuring that the best price properly payable will be received thus satisfying the requirements of s123 of the Local Government Act 1972. Market value will be determined by either open marketing of the sites or through an external valuation being procured to reflect any special circumstances. The assets will also be categorised as strategic assets due to their strategic importance to

contribute to the MTFP and will not be available for Community Asset Transfer unless Cabinet subsequently decides otherwise.

Options Considered

21. The alternative options would be to transfer the properties in another way or to not dispose of them at all, both of these have been discounted for the reasons set out in this report.

Conclusions

22. Declaring additional assets surplus to the requirements of the Council will provide additional funds for the Medium Term Financial Plan and Council's Business Plan.

Reason for Proposal

23. To confirm the freehold interest in the assets can be sold in order to generate capital receipts in support of the Council's capital programme and to maximise the amount of capital from them to support the MTFP and Council Business Plan.

Alistair Cunningham
Corporate Director – Growth, Investment and Place

Report Author:
Mike Dawson
Asset Manager (Estates & Asset Use)

Background Papers

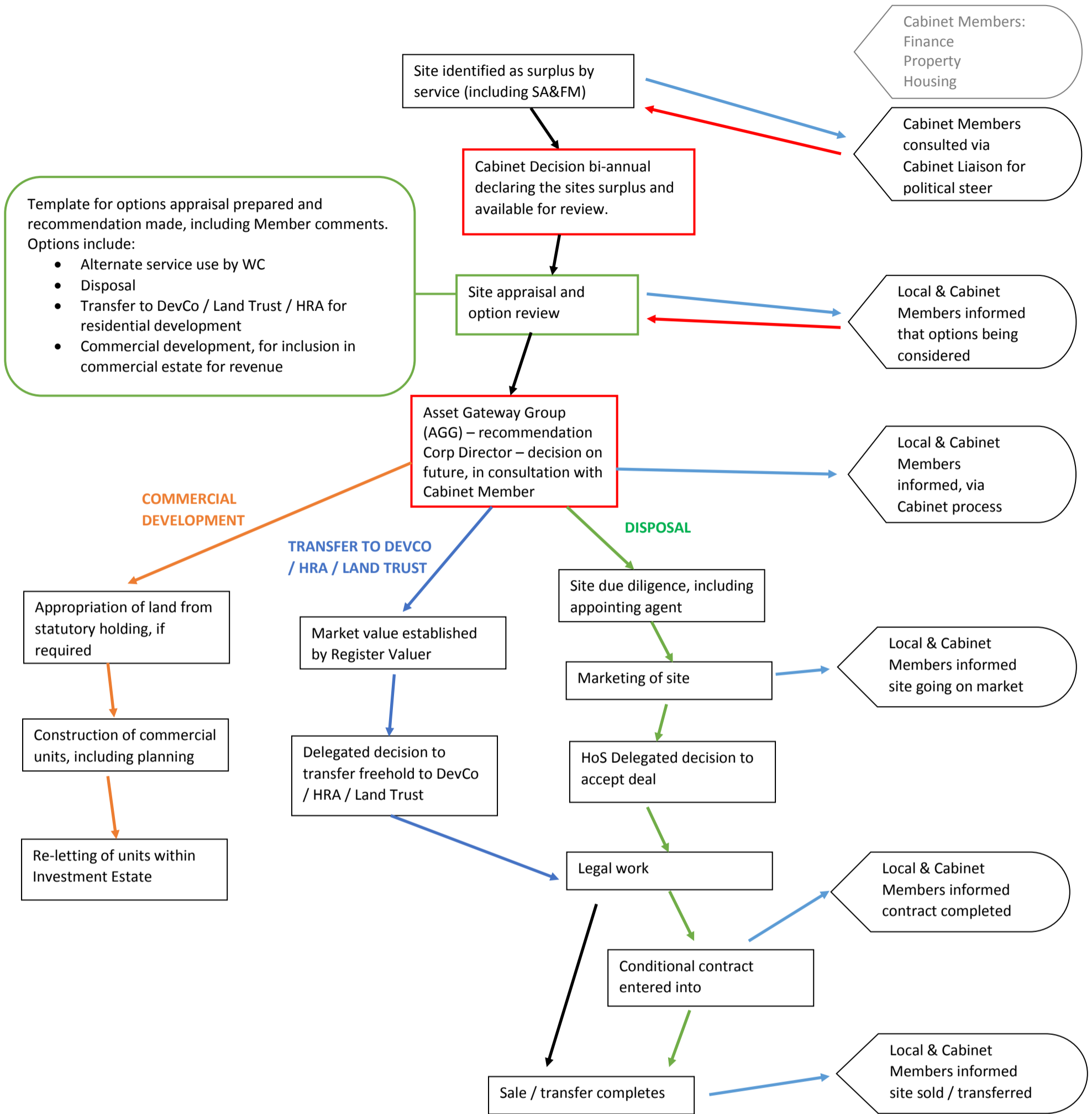
None

Appendices

Appendix 1 - Disposal Process
Appendix 2 - Overall position of disposal programme
Appendix 3 - Sites to be declared surplus

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Appendix 1 – Surplus asset process



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Appendix 2 - Overall position of disposal programme

Town	Site	Site reference	Year of receipt	Nature of sale	Method of sale	Current stage of disposal	Target stage completion
Sedgehill	Lot 4 Church Farm, Sedgehill	0301152	2019/20	F/H - open market	Unconditional sale	Completed (not reconciled)	02/04/2019
Chippenham	Derriads Respite Centre	0143951	2019/20	F/H - open market	Unconditional sale	Reconciled	16/04/2019
Sedgehill	Lot 8 Church Farm, Sedgehill	0301152	2019/20	F/H - open market	Unconditional sale	With legal	31/05/2019
Melksham	Former Reeds Building, Melksham Station	0810051	2019/20	F/H - direct sale	Unconditional sale	Disposal approval	11/06/2019
Tisbury	Court Street - HRA land	HRA	2019/20	F/H - direct sale	Unconditional sale	With Legal	31/05/2019
Sedgehill	Lot 1 Church Farm, Sedgehill	0301152	2019/20	F/H - open market	Unconditional sale	With legal	31/05/2019
Box	Former Rising Sun Public House, SN13 8EX	0170551	2019/20	F/H - direct sale	Unconditional sale	With legal	31/05/2019
Coulston	6 acres of land (Part of Coulston Allotments)	6003651	2019/20	F/H - direct sale	Unconditional sale	With legal	31/05/2019
Warminster	Chapmanslade - land rear of 102 High St	2035951	2019/20	F/H - open market	Unconditional sale	With legal	01/06/2019
Trowbridge	The Down, Cemetery Lodge	2002452	2019/20	L/H - open market	Unconditional sale	With legal	01/06/2019
Bradford on Avon	Holt Road, Cemetery Lodge	2002452	2019/20	L/H - open market	Unconditional sale	Marketing	01/06/2019
Trowbridge	The Halve	0149251	2019/20	F/H - direct sale	Unconditional sale	Due diligence / Surveys	30/06/2019
Sedgehill	Lot 1 Berrybrook Farm - house, buildings & 25.61 acres	0301152	2019/20	F/H - open market	Unconditional sale	Due diligence / Surveys	01/05/2019
Salisbury	New Zealand Avenue / 124 Wilton Road	0141151	2019/20	Equity (DevCo)	Equity Transfer	Due diligence / Surveys	01/04/2019
Royal Wootton Bassett	Manor House	0317851	2019/20	F/H - direct sale	Unconditional sale	Due diligence / Surveys	01/04/2019
Melksham	The Martins, Canberra		2019/20	F/H - open market	Conditional contract	Marketing	01/05/2019
Pewsey	Oxenwood Outdoor Education Centre	0139351	2019/20	F/H - open market	Unconditional sale	Sale approval	01/04/2019
Salisbury	61 Wyndham Road - building	3000651	2019/20	F/H - open market	Unconditional sale	With legal	30/07/2019
Salisbury	61 Wyndham Road - remainder	3000651	2019/20	F/H - open market	F/H - open market	Marketing	30/09/2019
Marlborough	Rabley Wood	0812051	2019/20	F/H - open market	Joint sale - unconditional	Conditional contract	01/06/2019
Chippenham	Olympiad car park (Sadlers Mead)	1004051	2019/20	F/H - direct sale	Conditional contract	With Legal	01/06/2019
Tisbury	Youth Development Centre	0133851	2019/20	F/H - direct sale	Unconditional sale	With Legal	01/05/2019
Sedgehill	Lot 2 Berrybrook Farm - 13.46 acres	0301152	2019/20	F/H - open market	Unconditional sale	Due diligence / Surveys	01/05/2019
Sedgehill	Lot 3 Berrybrook Farm - 30.97 acres	0301152	2019/20	F/H - open market	Unconditional sale	Due diligence / Surveys	01/05/2019
Sedgehill	Lot 4 Berrybrook Farm - 14.49 acres	0301153	2019/20	F/H - open market	Unconditional sale	Due diligence / Surveys	01/05/2019
Sedgehill	Lot 5 Berrybrook Farm - 2.93 acres	0301152	2019/20	F/H - open market	Unconditional sale	Due diligence / Surveys	01/05/2019
Sedgehill	Lot 6 Berrybrook Farm - 11.34 acres	0301152	2019/20	F/H - open market	Unconditional sale	Due diligence / Surveys	01/05/2019
Chippenham	Middlefield & 357 Hungerdown Lane - Lot 1	0150151 & 0151351	2019/20	F/H - open market	Conditional contract	With legal	01/04/2019
Salisbury	Dairy House Bridge GRT Site	0132251	2019/20	F/H - open market	Unconditional sale	Sale approval	31/05/2019
Salisbury	Oak Tree Field GRT Site	0132351	2019/20	F/H - open market	Unconditional sale	Sale approval	31/05/2019
Marlborough	St Peter's School	0112451	2019/20	F/H - open market	Unconditional sale	With legal	01/06/2019
Trowbridge	Manvers Hhouse	2008351	2019/20	F/H - open market	Conditional contract	Due diligence / Surveys	01/06/2019
Trowbridge	Stepping Stones and 3 & 4, Polebarn Road	0133651, 2 & 3	2019/20	F/H - open market	Conditional contract	Due diligence / Surveys	31/05/2019
Calne	Former PC at The Pippin	1013853	2019/20	F/H - open market	Unconditional sale	Disposal approval	11/06/2019
Trowbridge	St Stephens Car Park	2027153 & 2027159	2019/20	F/H - direct sale	Unconditional sale	Marketing	01/07/2019
Chippenham	Land adjoining 9 London Road	n/a	2019/20	F/H - direct sale	Unconditional sale	Disposal approval	11/06/2019
Calne	Youth Development Centre	0140451	2020/21	F/H - open market	Conditional contract	Marketing	01/04/2019
Devizes	Braeside Education & Conference Centre	0139551	2020/21	F/H - open market	Unconditional sale	Sale approval	01/09/2019
Salisbury	Grosvenor House & Riverside, 26 - 29 Churchfields Road, Salisbury SP2 7NH	0140751/ 2 & 0151251	2020/21	F/H - open market	Conditional contract	With legal	30/06/2019
Marlborough	Resource Centre	0142952	2020/21	Equity (DevCo)	Equity Transfer	Due diligence / Surveys	31/03/2021
Royal Wootton Bassett	Main Site Depot	0130951	2020/21	F/H - open market	Conditional contract	With legal	01/06/2019

Tisbury	former Leisure Centre	01252S3	2020/21	Equity (DevCo)	Equity Transfer	Due diligence / Surveys	31/03/2021
Morgan's Vale	Land adjoining "Charterhouse", Orchard Road	35073H1	2020/21	F/H - direct sale	Unconditional sale	Due diligence / Surveys	01/08/2019
Marlborough	Land to the rear of Marlborough Depot	01641S1	2020/21	F/H - open market	Conditional contract	Disposal approval	11/06/2019
Salisbury	Land at Sarum Centre	01625S1	2020/21	F/H - open market	Conditional contract	Disposal approval	11/06/2019
Trowbridge	Ashton Street, BA14 7ET	01503S1	2020/21	Equity (DevCo)	Equity Transfer	Due diligence / Surveys	31/03/2021
Warminster	Woodmead	01477S1	2020/21	F/H - open market	Conditional contract	Due diligence / Surveys	01/06/2019
Corsham	Martingate Centre	10327S1	2020/21	F/H - direct sale	Conditional contract	Marketing	01/08/2019
Chippenham	Baydons Lane, SN15 3JX	10034S1	2020/21	F/H - open market	Conditional contract	Due diligence / Surveys	01/06/2019
Sherston	Lower Stanbridge farm	03050S1	2020/21	F/H - open market	Joint sale - conditional	Disposal approval	11/06/2019
Wroughton	Land at Wroughton	03105S1	2020/21	F/H - direct sale	Conditional contract	Conditional contract	30/05/2019
Figheldean	Figheldean School	01088S1	2020/21	F/H - open market	Joint sale - conditional	Due diligence / Surveys	01/04/2019
Calne	Land east of Oxford rd Roundabout	03107S1	2021/22	F/H - open market	Conditional contract	Due diligence / Surveys	31/07/2019

Summary				As at 24/04/19		
Receipts targets (as at Sept 18)		Sites	Banked	Forecast		Total
2018/19	£	10,575,520	24	£ 11,039,038		£ 11,039,038
2019/20	£	9,066,000	39	£ 592,568	£ 11,568,974	£ 12,161,541
2020/21	£	5,327,800	15		£ 6,436,696	£ 6,436,696
	£	24,969,320				£ 29,637,275
				Variance		£ 4,667,955
2021/22		6		£ 1,296,003		
				Variance		£ -

NB: The summary above does include income generated from Overages not included in the list of sales

Appendix 3 - Sites to be declared surplus (available for option review)

Town	Site	Site reference	Current stage of review
Melksham	Former Reeds Building, Melksham Station	08100S1	Surplus Approval
Calne	Former PC at The Pippin	10138S3	Surplus Approval
Marlborough	Land to the rear of Marlborough Depot	01641S1	Surplus Approval
Salisbury	Land at Sarum Centre	01625S1	Surplus Approval
Sherston	Lower Stanbridge farm	03050S1	Surplus Approval
Chippenham	Land adjoining 9 London Road	n/a	Surplus Approval

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Wiltshire Council

Cabinet

11 June 2019

Subject: **Revenue and Capital Outturn 2018/19 and Statement of Accounts**

Cabinet Member: **Cllr Philip Whitehead – Finance**

Key Decision: **No**

Executive Summary

This report advises members of the final (unaudited) revenue and capital budget monitoring year end positions as at 31 March 2019 for the financial year 2018/19 together with the resulting reserves positions.

The forecasts indicate a year end general fund underspend of £0.357 million. This is 0.1% of the Council's net budget and is an improvement of £1.515 million on the period 9 forecast of an overspend of £1.158 million. An additional top up to reserves of £1.800 million leaves the General Fund Reserve at £15.100 million, a net increase of £2.157 million in the year.

The majority of service expenditure is in line with budget profiles and forecasts. Directors and Heads of Service worked to bring Services that identified large variances during the year back into a balance. In particular, Adults and Childrens services experienced significant demand pressures in year.

The report includes commentary on the Dedicated Schools Grant (DSG). This is coming under increased pressure in Wiltshire as it is across the country. The outturn is a £4.183 million overspend.

This report also details changes to the capital budget made since the 2018/19 budget was set on 20 February 2018 and reflects the forecast year end position of the 2018/19 capital spend against budget as at Period 9 (as at 31 December 2018).

Proposal

Cabinet are asked to note:

- a) the outturn for the General Revenue Fund, subject to external audit, of a General Fund underspend of £0.357 million and an additional financial stability top up to reserves of £1.800 million

- b) an HRA underspend of £2.119 million and a planned contribution to finance the capital programme of £6.503 million. This gives an overall draw from HRA revenue reserve of £4.384 million.
- c) transfers to the General Revenue Fund and Earmarked reserves, as set out in Sections 67-72 of the report, and return to HRA reserves.
- d) The position of the 2018/19 capital programme as at Outturn (31 March 2019).
- e) the unaudited Statement of Accounts for 2018/19.

Cabinet area asked to approve:

- f) The budget virements in revenue and capital programme, per appendices B & F.

Reason for Proposal

To inform effective decision making and ensure a sound financial control environment.

To inform Cabinet of the position of the 2018/19 outturn capital programme, including highlighting any budget changes.

Becky Hellard, Interim Director – Finance and Procurement

Wiltshire Council

Cabinet

11 June 2019

Subject: **Revenue and Capital Outturn 2018/19 and Statement of Accounts**

Cabinet Member: **Cllr Philip Whitehead – Finance**

Key Decision: **No**

Purpose of Report

1. To advise Members of the (unaudited) General Revenue Fund and Housing Revenue Account outturn positions for financial year 2018/19, as well as the position for the Collection Fund and Reserves
2. To inform Members of the year end 2018/19 capital programme, including budget virement.
3. To provide Cabinet with oversight of the unaudited Statement of Accounts, including the narrative report.

Background

4. The Council approved the 2018/19 budget at its meeting on 20 February 2018 for the sum of £327.746 million. The report focuses on variations from approved budget. Comprehensive appendices showing the individual service headings are included in Appendix C. More details on any revisions to the original base budgets in year are also included in the report.

Revenue Summary

5. The final outturn position is as follows:

Summary Position	Revised Budget	Outturn position for year	Variance for year	Variance reported at period 9	Movement since period 9
	£ m	£ m	£ m	£ m	£ m
General Fund Total	327.746	327.389	(0.357)	1.158	(1.515)
Dedicated Schools Grant (DSG) *	180.474	184.657	4.183	2.307	1.876
Housing Revenue Account	(0.245)	(2.364)	(2.119)	(0.500)	(1.619)

*High Needs Block

6. The final unaudited outturn position on the general revenue fund is an underspend of £0.357 million, this is after contributions to and withdrawals from earmarked reserves as set out below. This represents an improvement of £1.515 million on the budget monitoring position reported to Members for period 9 and better than the breakeven forecast reported by the Section 151 Officer to Council in February 2019. The reasons for the changes are set out in the following section of this report.
7. The outturn shows an improvement on figures in the medium term financial plan, which will be updated to reflect this during the budget setting process for future years. As part of year end closedown, it is proposed that an additional top up to reserves of £1.800 million is made to the General Fund Reserve. This leaves the General Fund Reserve at £15.100 million, a net increase of £2.157 million in the year.
8. The final unaudited outturn position on the HRA is an underspend of £2.119 million. Additionally, there was a planned draw of £6.503 million from reserves to support the HRA new build programme. This results in an overall draw from reserves of £4.384 million.
9. The Statement of Accounts is also appended to this report as appendix H.
10. There have been a number of budget movements during 2018/19. These are due to budget virements (transfers) relating to factors such as structural changes or allocation of funding for the pay award. A full breakdown is shown in appendix A.

The overall net budget remains the same as agreed by Full Council in February 2018.

11. In accordance with the scheme of delegation those budget transfers amounting to more than £0.250 million need to be reported to and approved by Members. These are summarised by service area in Appendix C. Commentary on the larger variances are given in the following sections.
12. The breakdown of the projected year end position by services is set out as follows

Summary Position	2018/19 Budget £ m	Outturn position for year £ m	Variance for year £ m	Variance reported at period 9 £ m	Movement since period 9 £ m
Adult Care & Public Health Service	146.561	147.903	1.342	2.511	(1.169)
Children & Education Service	76.957	80.244	3.287	1.424	1.863
Growth, Investment & Place Service	103.456	106.847	3.391	4.265	(0.874)
Corporate	0.772	(7.605)	(8.377)	(7.042)	(1.335)
General Fund Total	327.746	327.389	(0.357)	1.158	(1.515)

General Fund Monitoring Details

13. Overall the outturn identifies a net year end underspend of £0.357 million. Below are the details of the services and comments on the main forecast variances.
14. A summary of the Service Area movements from period 9 monitoring are set out in Appendix D. As with reports during the year, this report focuses on service areas with large variances at year end.

ADULT SOCIAL CARE, PUBLIC HEALTH & PROTECTION AND LEGAL & DEMOCRATIC SERVICES

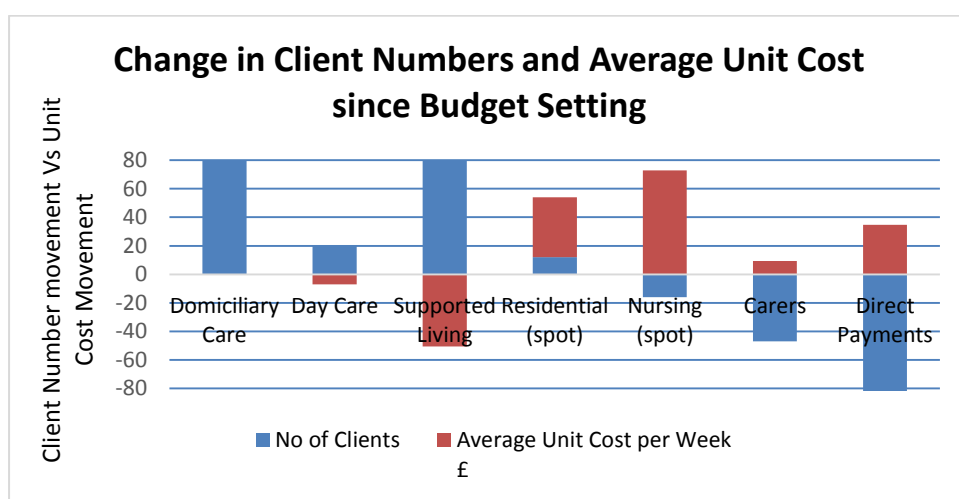
Summary Position	2018/19 Budget	Outturn position for year	Variance for year	Variance reported at period 9	Movement since period 9
	£ m	£ m	£ m	£ m	£ m
Adults 18+	52.789	51.935	(0.854)	(0.387)	(0.467)
Mental Health	16.388	16.685	0.297	(0.104)	0.401
Learning Disabilities	47.196	49.690	2.494	4.713	(2.219)
Adults Commissioning	25.017	23.796	(1.221)	(1.795)	0.574
Total Adults	141.390	142.106	0.716	2.427	(1.711)
Public Health Grant	(0.024)	(0.024)	0.000	(0.343)	0.343
Other Public Health & Public Protection	1.129	1.539	0.410	0.277	0.133
Total Public Health & Protection	1.105	1.515	0.410	(0.066)	0.476
Legal & Democratic	4.066	4.282	0.216	0.150	0.066
Adult Care & Public Health Service Total	146.561	147.903	1.342	2.511	(1.169)

15. Adult Social Care budgets year end position was an overspend of £0.716 million, an improvement of £1.711 million since period 9 projections. The position of the key service areas is set out below.

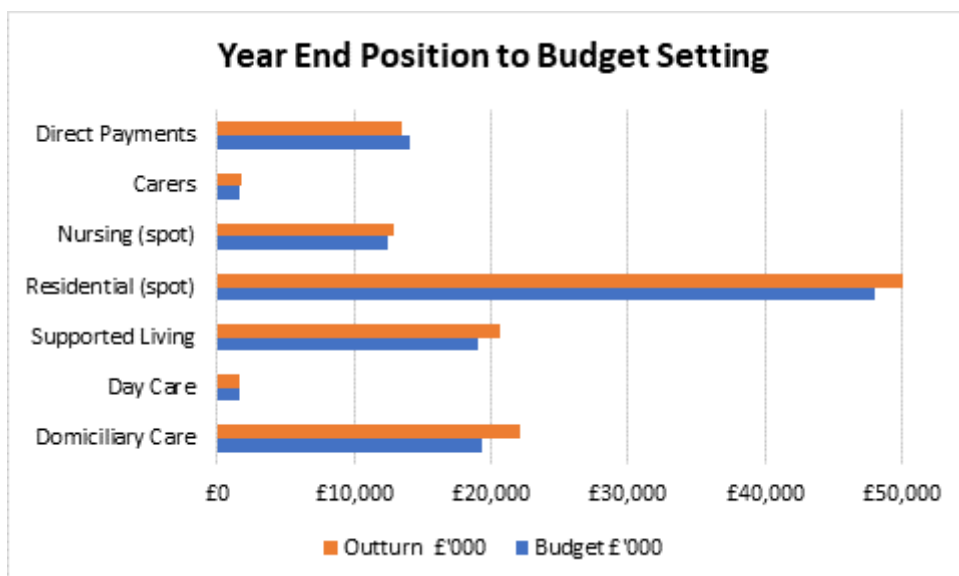
16. Adults 18+ underspent by £0.854 million in 2018/19, which was an improvement from period 9 of £0.467 million. This is due to a combination of cash savings made by the new reablement service and delays in getting staff into posts in hard to recruit to areas, such as Salisbury. Whilst the service is underspending on reablement and staff costs due to the implementation of the transformation programme Phase 1, this is partially mitigating forecast overspends on placements.

17. The improvement in the last quarter of the financial year was due to a reduction in placement costs due to our new approach to reablement.

18. Mental Health is showing a year end overspend of £0.297 million, which shows an increase from period 9 which had a projected underspend forecast of (£0.104 million). This is due to increased demand and care packages.
19. The Learning Disabilities year end position was £2.494 million, which was an improvement of £2.219 million from the period 9 estimate. This was due to data cleansing on Carefirst and a consequent reduction in packages recorded on Carefirst (rather than a reduction in care).
20. The year end overspend position for Learning Disabilities of £2.494 million is due to:
- £1.000 million undeliverable savings from the Care Fund Calculator Programme.
 - £0.684 million additional staffing costs to cover vacancies within the in-house provider services.
 - 2 ordinary residency cases transferring to the council from other local authorities, with a backdated charge of £0.436 million, which are one-off and will not be recurring in 2019/20.
21. Adults' Commissioning year end position was a £1.221 million underspend and relates to early delivery of 2019/20 savings in Supported Housing, Telecare and block residential placements. This underspend had reduced by £0.574 million from period 9 due to additional expenditure relating to winter pressures.
22. The main underlying pressure across Adult Social Care relate to placements and the movement in both activity and unit cost. The table below shows the effect of these factors to explain this by care group.



The impact of the above movements identifies an ongoing budgetary pressure identified by care groups as per the below table:



23. Analysing the changes at the end of the financial year, the council spent £123.385 million supporting 4,725 different packages of care.

Care Type	Year End Position		
	No of Clients	Costs £'000	Average Unit Cost per Week £
Domiciliary Care	1,478	£22,048	£287
Day Care	299	£1,571	£101
Supported Living	579	£20,638	£685
Shared Lives	23	£448	£375
Residential (spot)	825	£50,529	£1,178
Nursing (spot)	283	£12,872	£875
Carers	527	£1,742	£64
Direct Payments	711	£13,537	£366
Total	4,725	£123,385	£502

Public Protection

24. Public Protection over spent by £0.410 million, which relates to the 2018/19 savings target assigned to commercialisation of the service, which were not achieved.

CHILDREN & EDUCATION, COMMUNITIES & COMMUNICATION AND HUMAN RESOURCES SERVICES

Summary Position	2018/19 Budget	Outturn position for year	Variance for year	Variance reported at period 9	Movement since period 9
	£ m	£ m	£ m	£ m	£ m
Childrens Commissioning	4.781	4.742	(0.039)	(0.619)	0.580
Childrens Social Care	40.947	40.756	(0.191)	(0.367)	0.176
0-25 Service: Disabled Children & Adults	24.333	25.273	0.940	0.817	0.123
Early Help	(0.050)	0.020	0.070	0.083	(0.013)
School Effectiveness	1.380	1.537	0.157	0.065	0.092
Funding Schools	(3.278)	(1.978)	1.300	0.000	1.300
Children & Education Totals	68.113	70.350	2.237	(0.021)	2.258
Communications	1.614	1.527	(0.087)	(0.062)	(0.025)
Libraries, Heritage & Arts	4.012	5.349	1.337	1.262	0.075
Leisure	(0.173)	(0.043)	0.130	0.245	(0.115)
Human Resources & Org Development	3.391	3.061	(0.330)	0.000	(0.330)
Children & Education Service Totals	76.957	80.244	3.287	1.424	1.863

Childrens Commissioning

25. The Troubled Families Programme is supporting families with multiple and complex problems; changing lives and services for the better. The Council is in receipt of payment by results monies which reflect the success of the Wiltshire Troubled Families model in driving a focus on outcomes for families. Due to the late nature of this income, underspent grant has been rolled forward for use against the programme in 2019/20.

Children & Young People with Social Care Needs

26. The table below shows an increase in numbers of children and young people with social care need across all types of case held by social workers. Additional growth for demography and inflation was added to the placement budgets to reflect the anticipated upward trend particularly in relation to unaccompanied asylum-seeking children. Although the placement budgets continue to be under pressure, they are closely monitored and within overall budget.

	Child Protection Plans	Children in Need	Children Looked After	Total
Number as at Budget Setting	340	1,975	425	2,740
Number as at 31 March 2019	406	2,096	468	2,970
Movement	66	121	43	230
% Change	19%	6%	10%	8%

27. The table above shows a significant increase in workload, particularly for children with protection plans. Parental/adult needs have been increasing including drug and alcohol misuse, mental health and domestic abuse. Also safeguarding issues related to Child Sexual Exploitation, County Lines, FGM and Honour Based Violence have increased demand. As a result of these pressures, in June 2018 Cabinet approved part year investment of £0.900 million in additional social care posts. A recruitment campaign is ongoing to recruit to these posts and agency staff are being contracted in the interim.

28. There was a £0.191 million underspend from the approved budget which comprises an underspend on placements and social work staff. The Council is committed to keeping caseloads of social workers at acceptable levels however recruitment has been challenging due to the national shortage of experienced social workers.

0-25 Service: Disabled Children & Adults

29. The 0-25 SEND Service is currently projected to overspend by £0.940 million. This relates to the statutory provision of home to school transport for pupils with SEND. All children with an EHCP under 16 years are entitled to free transport to school.

30. The number of children with education, health and care plans (EHCP) and statements at the time of setting the budget was 2,956. Additional growth representing demography and inflation was added to the budget to reflect the anticipated upward trend. The number of children with EHCP plans and statements at the end of March was 3,449. Most children require specialised or additional educational support, some medical, some social care and some more require support across more than one of these.

31. Of the 3,449 children with an EHCP statement, the budget plan was for 231 children to have support from the SEN social care placement budgets. The table below shows the different types and cost of care settings:

Care Type	At Budget Setting			Period 12 Expenditure			Variance	
	No of Clients	Costs £m	Weekly Cost £	No of Clients	Costs £m	Weekly Cost £	No of Clients	Costs £m
Independent Fostering Agencies	9	0.665	202.30	11	0.532	132.46	2	(0.133)
Residential Homes	16	1.850	323.11	15	1.795	320.77	(1)	(0.055)
Residential School	21	1.924	251.02	20	1.762	247.78	(1)	(0.162)
Supported Living	26	1.595	170.89	19	1.254	185.29	(7)	(0.341)
Direct Payments	12	0.489	115.06	14	0.471	94.97	2	(0.018)
Respite	0	0.000	0	0	0	0	0	0
Care Packages and Personal Budgets	147	0.735	96.01	157	0.983	120.51	10	0.248
Total	231	7.258		236	6.797		5	(0.461)

Early Help

32. The extension of the Outdoor Education Centres (Oxenwood) has impacted negatively on their trading position leading to reduced income levels and as during this period of uncertainty schools have made alternative arrangements for 2018/19 which has had a negative impact of £0.083 million on income targets.

Funding Schools

33. A specific provision of £1.300 million has been set up as part of a partnership approach with schools to respond to the pressure on the high needs budget which supports pupils with SEND aged 0-25 years.

Libraries, Heritage & Arts

34. Libraries, Heritage & Arts outturn has a net overspend of £1.337 million. This is largely due to a delay in actioning 2018/19 savings proposals totalling £1.100 million and there are £0.237 million historic pressures.

35. 2018/19 restructure savings, including a reduction in Heads of Service, totalling £0.500 million have now been actioned but due to the delay only delivered part year savings in 2018/19. The savings will be delivered in full in 2019/20.

36. The 2018/19 £0.200 million approved saving to review and fund area board youth activity from Public Health grant was not taken forward, this has been rebased as part of 2019/20 budget setting process.

37. The service has historic Income targets to manage regarding City Hall and Libraries, these targets remain as a pressure for 2019/20. The historical income targets will be managed as part of the financial plan that is being developed.

Human Resources & Organisational Development

38. Human Resources & Organisational Development is reporting a underspend variance of (£0.330 million). This is primarily due to:

- deferral of expenditure relating to IT development pending the outcome of the review of SAP
- a move towards increased in house delivery of training ahead of using external providers (this budget will be realigned to provide additional staffing resource for in house training)
- a focussed effort to avoid costs and to deliver an underspend as a contribution to the council's overall budget position

GROWTH, INVESTMENT & PLACE, CORPORATE SERVICES AND FINANCE & PROCUREMENT SERVICE

Summary Position	2018/19 Budget	Outturn position for year	Variance for year	Variance reported at period 9	Movement since period 9
	£ m	£ m	£ m	£ m	£ m
Economic Development & Planning	2.591	2.837	0.246	0.250	(0.004)
Highways	18.176	17.895	(0.281)	0.000	(0.281)
Transport	17.203	17.203	0.000	0.000	0.000
Car Parking	(6.832)	(6.458)	0.374	0.280	0.094
Waste & Environment	36.337	40.436	4.099	3.965	0.134
Housing Services	3.920	3.508	(0.412)	(0.055)	(0.357)
Strategic Asset & Facilities Management	11.611	10.971	(0.640)	(0.175)	(0.465)
Growth, Investment & Place Totals	83.006	86.392	3.386	4.265	(0.879)
Corporate Services	5.267	4.874	(0.393)	0.000	(0.393)
Information Services	8.268	9.180	0.912	0.000	0.912
Finance & Procurement	7.615	6.691	(0.924)	0.000	(0.924)
Revenues & Benefits - Subsidy	(0.700)	(0.290)	0.410	0.000	0.410
Growth, Investment & Place Service Totals	103.456	106.847	3.391	4.265	(0.874)

Economic Development & Planning

39. Economic Development & Planning has a net overspend of £0.246 million this is largely due to underachievement on income. This is across Development Control, Building Control and Land Charges and is the net position after accounting for vacancies that were held to mitigate the impact. Major planning applications were down by 22% in 2018/19, 158 major applications in 2018 compared to 202 in 2017 (period April to March). Applications have not been this low since 2013/14.

40. The service also had an establishment savings target in 2018/19, a restructure has not been progressed, however, partial savings have been found in a review of establishment costs and deletion of some vacant posts and the remainder managed by one off savings from both income from the Enterprise Network and by managing remaining vacancies. The outstanding savings will need to be resolved for 2019/20.

Highways and Transport

41. Highways has a net underspend of £0.281 million. Highways have managed a number of pressures in year including the Winter service from one off savings and efficiencies, the majority of these have been resolved for 2019/20 as part of Budget Setting. The net position after adjusting for the known pressures and efficiencies are largely due to overachievement of Highways Development Control income and managing vacancies.

Car Parking

42. Car parking has a net overspend of £0.374 million, this is in part due to a delay in the implementation of parking consultation proposals and the removal of Sunday car parking charges.

Waste

43. Waste has a net overspend of £4.099 million, this is after the release of the reserve identified for Waste of £1.250 million that was set aside as part of 2017/18 outturn.

44. The majority of this overspend was due to the significant delay in the Councils Contractor obtaining planning permission for construction of a Materials Recovery Facility (MRF) to sort dry recyclable materials. As a consequence, the contract for sorting dry recyclable materials (Lot 1) and the contract for collection of waste and recycling (Lot 5), which commenced on 30 July 2018, could not be delivered as originally intended.

45. An interim service was put in place to enable the collection and recycling of additional plastic materials from the blue lidded bin. However, this required the use of additional vehicles and employment of additional staff as the collection of dry recyclable materials continued to be based on separate collection of materials from the black box.

46. In addition, a number of savings proposals for 2018/19 around the new contract were not achieved. This was due to a combination of the delay in implementing the service changes referred to above and the availability of sufficient resource in the Waste and IT teams, given ongoing work on implementing new systems for management of the waste contracts.

47. Landfill tax was £0.598 million above budget. In 2018/19 the budget was reduced to reflect a forecast reduction in tonnes of waste to landfill as a result of the cessation of collection of commercial waste and other 2018/19 savings initiatives.

These savings proposals have been implemented but the anticipated reduction in tonnes has not been seen.

48. The Waste Budget has been rebased for 2019/20 based on the forecast contract models and tonnage expectations.

Housing

49. Housing Services year end position was a net underspend of £0.412 million as a result of new ways of funding rent deposits through Discretionary Housing Payments (DHP) and use of grant funding, this has been factored into 2019/20 budget setting.

Strategic Asset & Facilities Management

50. SA&FM has a net underspend of £0.640 million this is due to a series of one off events and income.

51. One off unbudgeted income was received in year in relation to the settlement of a long-standing claim against an energy supplier, back-dated income from rent reviews in the commercial estate and an in year NNDR rebate.

52. One off savings were achieved as a result of Pewsey Campus opening mid-year and from the part-year closure of Bourne Hill.

Corporate Services

53. Corporate Services has a net underspend of £0.393 million, after management action. A Head of Service restructure was undertaken, vacancies have been held where possible and posts charged to grants and capital programmes. Customer Services made use of fixed term contracts and temporary posts to manage peaks and troughs.

Information Services

54. Information Services has a year end net overspend of £0.912 million, however this is not due to the service overspending in year. After 2019/20 budget setting the Microsoft licences costs were confirmed with a significant increase for 2019/20 . As part of outturn £0.800 million has been set aside in an ear marked reserve to cover this increase.

Finance & Procurement

55. Finance & Procurement has a year end underspend variance of (£0.924 million), of which the majority (£0.888 million) relates to:

- (£0.322 million) overachievement against budget of court fees recovered in respect of council tax/business rates recovery

- (£0.236 million) overachievement against budget for government grants received that were announced in year as one off grants in respect of universal credit administration and new burdens
- (£0.330 million) of staffing vacancies within Accountancy, Procurement, Revenues & Benefits and Accounts Payable

Revenues & Benefits - Subsidy

56. Revenues & Benefits – Subsidy is reporting a variance of £0.410 million. This variance predominantly relates to underachieved housing benefit overpayment recovery, as a result of less debt being raised due to the continued shift towards universal credit.

57. Due to the unpredictability and complexity of forecasting the outturn for housing benefit overpayment recoveries within the Revenues & Benefits element of Subsidy, the Finance & Procurement and Revenues & Benefits elements of Subsidy lines were reported on a combined net position against Finance & Procurement throughout 2018/19 but have been shown separately in this report for clarity. The overall net variance of (£0.514 million) is an improvement on the reported period 9 forecast of breakeven /due to an improvement on the Revenues & Benefits elements of Subsidy which only became apparent after completion of both the housing benefit subsidy year end claim and the housing benefit overpayment reconciliation. It should be noted, that the gross budget for this line is £91.751 million, so this is a minor percentage variance.

CORPORATE EXPENDITURE

Summary Position	2018/19 Budget £ m	Outturn position for year £ m	Variance for year £ m	Variance reported at period 9 £ m	Movement since period 9 £ m
Corporate Directors	1.054	1.030	(0.024)	0.000	(0.024)
Members	2.226	2.162	(0.064)	0.000	(0.064)
Movement on Reserves	(4.146)	(3.244)	0.902	0.000	0.902
Capital Financing	22.809	19.311	(3.498)	0.000	(3.498)
Restructure & Contingency	(2.018)	1.413	3.431	1.358	2.073
General Government Grants	(25.981)	(34.720)	(8.739)	(7.900)	(0.839)
Corporate Levies	6.828	6.443	(0.385)	(0.500)	0.115
Corporate Totals	(0.772)	(7.605)	(8.377)	(7.042)	(1.335)

Movement on Reserves

58. Movement on Reserves is reporting a variance of £0.902 million. This line had previously been reported as online throughout 2018/19 budget monitoring but at year end there was a variance as following a review of the overall outturn position it has been determined not to make the budgeted £0.900 million draw from General Fund Reserves, as approved at 2018/19 budget setting, in order to add financial resilience by increasing General Fund reserves.

Capital Financing

59. Capital Financing has a year end variance of (£3.498 million). This had previously been reported as online throughout 2018/19 budget monitoring, due to a planned movement of any underspend up to £3.000 million, to the Capital Financing Reserve following the 2017/18 review of capital financing (specifically the Minimum Revenue Provision (MRP)), which saved up to £6.000 million per annum. The deposits into this reserve were originally required for 2 years (2017/18 and 2018/19), to help fund future capital investment. As part of budget setting in February 2019/20 a full review of capital financing was undertaken and the base budget realigned. Therefore, it is recommended that this previously planned roll forward is no longer undertaken, as future funding is now included in the Medium Term Financial Strategy (MTFS). This therefore allows for the full underspend of £3.498 million on Capital Financing to be moved to the General Fund to further increase overall financial resilience.

Restructure & Contingency

60. Restructure & Contingency has a year end overspend variance of £3.431 million. This primarily relates to £1.555 million of corporate saving targets agreed as part of the 2018/19 budget setting that have not been achieved in year as well as a deficit of £1.088 million on the corporate redundancy budget due to service restructuring in year. The remaining variance of £0.788 million is made up of various other corporate items such as contributions to provisions. The movement from the forecast reported in the period 9 report is in respect of the increased spend on the corporate redundancy budget. The unachieved corporate savings of £1.555 million were removed in budget setting 2019/20.

General Government Grants

61. General Government Grants has a year end variance of (£8.739 million). This variance mainly relates to government grants received in respect of compensation for the requirement to award specific business rate reliefs. In prior years, these grants were used at year end to mitigate spending pressures and support the earmarked reserve for forecast losses in business rates. For 2018/19 the whole amount is being used to support overall revenue budget forecasts and this has been built into the 2019/20 budget.

62. The General Government Grants base budget was rebased by £7.200 million in the period 4 report to members, in respect of business rates. In prior years, this was used at year end to mitigate spending pressures and support the earmarked reserve for forecast losses in business rates. For 2018/19 and future years the whole amount is being used to support revenue budget forecasts.

Corporate Levies

63. Corporate Levies has a year end underspend variance of (£0.385 million). This is mainly due to a combination of lower than budgeted gross cost in terms of purchasing and surrendering Carbon Reduction Commitment (CRC) trading allowances for the year, together with additional business rates income of £0.174 million for renewable energy schemes.

DEDICATED SCHOOLS GRANT

64. The Education and Skills Funding Agency (ESFA) provides funding for schools to local authorities via the Dedicated Schools Grant (DSG). This grant is ringfenced and is separate to the local authority budget, any underspend or overspend is ringfenced. At the end of 2017/18, the positive balance for the ESFA element of the DSG reserve was £0.846m.

65. Many local authorities are now incurring deficit on their overall DSG account largely because of overspending on their high needs block. High needs funding block is for children and young people with special educational needs or disabilities who need extra support at school, college or alternative provision settings.

66. In December 2018, Damien Hinds, Secretary of State for Education acknowledged these pressures and awarded Wiltshire an additional allocation of £1.128m for 2018/19 financial year.
67. Following new placements for the new academic year and taking into account the additional funding above, the overspend of DSG spend on the high needs block for 2018/19 was an overspend of £4.794 million. This is largely attributable to spend rising in line with increased numbers of children in Wiltshire with an EHCP statement exceeding the amount of DSG available for high needs. Approval will be sought from Schools Forum to use the DSG reserve to partially fund the high needs overspend in 2018/19.
68. A task and finish group; the High Needs Block Working Group was set up in September 2018 to identify contributory factors and to make proposals to reduce the cost pressure on the high needs block. Proposed mitigations of the group are currently being taken forward as actions. The overall overspend of £4.183 million will be carried forward into the DSG reserve. In order to mitigate the size of this deficit, when reserve levels were reviewed at year end, £1.300 million was transferred from Funding Schools. This will lead to a deficit DSG reserve of £2.073 million.

69. Schools Forum, through the High Needs Block Working Group are working with external consultants to establish a sustainable means of servicing high needs moving forward. Schools Forum have agreed to transfer 0.8% / £2.200 million from Funding Schools to High Needs Block for 2019/20 financial year.

Summary Position	2018/19 Budget	Provisional Outturn	Projected Variance	Variance reported at period 9	Movement since period 9
	£ m	£ m	£ m	£ m	£ m
Schools Funding	111.948	111.818	(0.130)	(0.080)	(0.050)
High Needs Block	39.255	44.049	4.794	3.331	1.463
FTE ECHP Pupils	2,767	3,449		682	(25% increase)
Early Years Block	26.756	26.395	(0.360)	(0.818)	0.458
FTE EY Pupils	5,360	5,301	(59)	(122)	63
Central Schools Block	2.515	2.394	(0.121)	(0.126)	0.005
TOTAL DSG	180.473	182.906	4.183	2.307	1.876

HOUSING REVENUE ACCOUNT SUMMARY

70. HRA has a year end underspend variance of £2.119 million. As previously reported, continuing savings have been delivered in the repairs and maintenance budget, in particular, responsive repairs over recent years. This follows investment in capitalised repairs works and the substitution of responsive repairs with more efficient planned works. The expansion of the in house DLO provision and reduction in external contractors is underway and is in part reflected in this year

end underspend. This has now been factored into budget setting and the 30 year service business model.

71. Additionally there is a planned contribution to finance the capital programme by an amount of £6.503 million. This gives an overall draw from HRA revenue reserve of £4.384 million.

Collection Fund

72. The Council is reporting a net surplus on the council tax collection fund of £3.973 million which is an improvement of £0.573 million against the official collection fund estimate declaration of £3.400 million made in January 2019. The declared surplus of £3.400 million is shared between the 3 major precepting authorities (Wiltshire Council, The Office for the Police & Crime Commissioner for Wiltshire & Swindon and Dorset and Wiltshire Fire & Rescue Service) in proportion to their precept. The share for Wiltshire Council is therefore £2.881 million and this was built into the 2019/20 budget. The additional surplus of £0.573 million will be included in the January 2020 official collection fund estimate declaration.

Statement of Accounts (unaudited)

73. The Council is required to prepare an annual Statement of Accounts and to arrange for them to be audited and reported in accordance with the Accounts and Audit Regulations 2015 and the 2018/19 Code of Practice on Local Authority Accounting in the United Kingdom, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Statement of Accounts present the overall financial position of the Council for 2018/19, reflecting the outturn position above.
74. The following table shows the technical adjustments between the Management Accounts, which are reported to members quarterly and Technical Accounts, which comply to a single set of standards for public and private sector bodies. As local authorities are funded from local and national taxation there are a number of technical adjustments which do not impact on the General Fund balance.
75. The Technical adjustments are examined further in note 13 to the Statement of Accounts and reflect changes for pensions, depreciation and other factors such as PFI transactions that do not impact on council tax funding.
76. The draft accounts were signed by the Chief Finance Officer on 31 May 2019, in line with the statutory deadline.
77. The draft Statement of Accounts is then subject to audit by the Council's appointed auditors (Deloitte) before the final set is brought to the Audit Committee for final approval. This adoption process ensures that there is external independent scrutiny of the figures in the Statement of Accounts before they are brought to the Audit Committee. Under the constitution, in Wiltshire the Statement of Accounts are adopted by the Audit Committee.
78. The Statement of Accounts will be taken to the Audit Committee on 24 July 2019. This is ahead of the revised Statutory Deadline of 31 July.

79. The draft Statement of Accounts is attached as appendix H. During the audit there was a delay in obtaining the final external valuation figures for County Farms. Therefore the final statement will be updated to reflect the final valuations.

CAPITAL SUMMARY

80. The original budget for 2018/19 was approved by Council during budget setting on 20 February 2018. Since that date there have been a number of changes to the budget for 2018/19, largely due to reprogramming of budget from 2017/18 and to 2019/20; but also, to reflect additional funding being available. The changes to the budget since it was last amended in the Budget setting report are summarised in the table below, a fuller breakdown of the changes made at a scheme by scheme level is attached as Appendix E.

Breakdown of Budget Amendments from Period 9 Budget to Outturn Budget (as at 31 March 2019)

Movements in Capital Programme	£m	Further information
Capital Programme Budget Period 9	134.582	Appendix E
Amendments to Capital Programme 2018/19 Since Period 9:		
Additional Budgets added to Programme	6.340	Appendix E & F
Grant Amendments	0.000	Appendix E
Reduced Budgets	(0.147)	Appendix E
Budgets Reprogrammed from 2018/19 to 2019/20	(7.608)	Appendix E & F
Capital Programme Budget Outturn	133.167	

81. The budget additions shown above largely reflect increases in funding being available and brought into the programme under the Chief Financial Officer delegated authority. They comprise of the flexible use of capital receipts for transformation programmes, additional grants from Central Government and Section 106 contributions and other contributions used to finance capital spend within the capital programme. Further information on the budget movements at an individual scheme level is shown in Appendix E

82. The budgets that have been reprogrammed into 2019/20 are shown in further detail in Appendices E and F.

Summary of Capital Position as at 31 March 2019

83. The final budget for the year 2018/19 is £133.167 million. Actual spend on schemes as at 31 March 2019 was £106.288 million. A full breakdown of these figures is attached in Appendix E. This represents a net underspend for the 2018/19 financial year of £26.879 million. This compares to a net underspend in 2017/18 of £35.065 million and this is due to more robust financial management in the year.
84. The final position of the capital programme includes £0.138 million of overspent schemes and £0.003 million of underspent schemes.
85. A total of £26.832 million has been reprogrammed from 2018/19 into 2019/20 as part of this report to match planned expenditure.
86. The reprogramming of capital budgets is reflected in the outturn position of the revenue budget for capital financing.

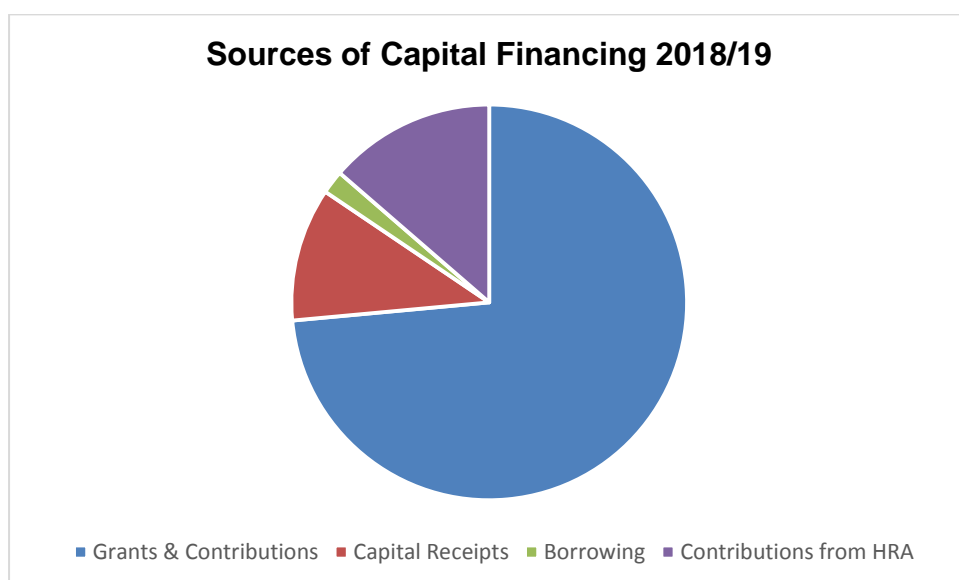
Summary of Significant Capital Variances

87. **Boscombe Down.** The delivery of a new road at Boscombe Down to support important inward investment opportunities and the economic development of the area is linked to a wider programme of work being undertaken by the Council's local partners. This programme is subject to on-going commercial negotiations and the strategic decision-making processes of third parties. Timescales for the delivery of the necessary infrastructure to support this have informed the on-going programme of work which have in turn informed the spend profile.
88. **Salisbury Central Car Park & Maltings.** Negotiations are continuing with the site owners on the redevelopment of the Maltings, with an application now submitted for the first phase of development that includes a relocated library and a new 86 bed hotel. The spend of grant monies is linked to the next phase of development that will include major works to the Market Walk area. These works can only proceed once the library has relocated. Plans are being developed for this next phase and are expected to be the subject of a planning application later in 2019.
89. **Council House Build Programme (CHBP).** The underspending on the CHBP follows a delay to the start on site for Southview Phase 2 which was approximately 6 months behind the anticipated programme. It was originally hoped to start on site in August/September 2018 but did not actually formally start until the end of January 2019. Unspent sums are needed in 2019/20 to enable committed spend to be completed. For all the other schemes within Phase 1 of the CHBP, it is hoped to be able to report a saving of over £1.000 million compared to the budget approved by Cabinet. However, this requires confirmation of all committed costs including retentions being released and the settling of final accounts. It is hoped to be able to declare a final figure later in 2019/20 once all of these have been resolved. It should be noted that the vast majority of these funds are from the HRA and should be reinvested into the HRA Business Plan.

90. **Social Care Infrastructure & Strategy.** This relates to a proportion of unspent grant in relation to housing that it has not been possible to spend in year, the remaining grant is being reprogrammed into 2019/20.
91. **HRA – Refurbishment of Council Stock.** For the capitalised maintenance projects there is re-programming of unspent budget into 2019/20 as the works are continue to be programmed to be completed.
92. **Facilities Management Works.** The FM capital maintenance programme for 2018/19 suffered delays due to project management resource being diverted to the major refurbishment of Bourne Hill and the replacement of cooling and heating systems at County Hall. The full budget has been committed as works will now be completed in 2019/20.
93. **Bridges.** There was a significant programme of bridge maintenance and renewal during 2018/19. However, there were a number of culverts and smaller structures in need of attention, which it was not possible to progress as originally intended due to the lead in time and resources needed for this type work. It is proposed that these schemes should be carried out in 2019/20, these will form part of a rolling programme to be continued in future years in order to improve these assets.
94. **Pothole Fund Grant.** The majority of the funding for 2018/19 was spent within the year. A programme of patching and repairs was undertaken in the last quarter of 2018/19 and will be continuing in April 2019, this funding is reprofiled to 2019/20 to enable this work to be completed.
95. **Microsoft Cloud Navigator.** This programme's start date was delayed from July 2018 to October 2018 which has resulted in the need to re-programme £2.294 million of the budget from 2018/19 to 2019/20.
96. **Wiltshire Online.** Phase 1 is now complete with an established underspend being reviewed for reinvestment. Phase 2 work nears completion with final payments expected in 2019/20.
97. **Health & Wellbeing Centres – Live Schemes.** Projects have been slower to advance to the build stage than expected; it is anticipated that construction will now commence in 2019/20.
98. **Basic Need.** School extension schemes are at varying stages across the County with six multi-million pound projects in the build phase. Reprogramming of £6.866 million has taken place in months 10-12 with a further £3.840 million of budget required to be reprogrammed into 2019/20. This reprogramming reflects the timing of the various milestone payments and planned completion dates across all the schemes.
99. **Schools Maintenance & Modernisation.** Final reprogramming of £1.412 million budget is needed from 2018/19 into 2019/20 for these schemes. The majority of this relates to a large roofing scheme at Westbury Matravers which will now commence in 2019/20.

Capital Financing

100. The Council has financed £106.288 million of capital expenditure in 2018/19. In terms of financing, the Council prioritises utilisation of capital grants, contributions and capital receipts in order to minimise the need for borrowing. Where there is a requirement for borrowing, the Council will internally borrow in the first instance in order to avoid external interest payments. The following chart summarises the sources of capital financing in 2018/19.



RESERVES

101. The tables below shows the year end outturn position on the General Fund balance held by the Council.

102. As there is an overall improvement in the outturn position from that reported at period 9, subject to audit, this means that the year end balance on the General Fund reserve is slightly improved against the forecast to Council in February 2019.

103. The movements on the General Fund reserve has been reflected in the figures in this report.

General Fund Reserve	£ million
Balance as at 1 April 2018	(12.943)
Underspend for year 2018/2019	(0.357)
Additional top up to General Fund Reserves	(1.800)
General Fund Balance 31 March 2019	(15.100)

104. In addition to General Fund Reserve, the Council also has a number of ringfenced earmarked reserves. These are held for specific reasons. Earmarked Reserves are reviewed annually as part of year end closedown process.

105. A full listing of earmarked reserve movements during the year including the carried forward balances is included as Appendix G. These movements are all included in the outturn figures and associated appendices.

Overall Conclusions

106. 2018/19 was a challenging year in the financial terms. A combination of an ambitious savings target, senior officers having to focus on the incidents at Salisbury and Amesbury, significant demand pressures in the Adults and Childrens services and complications with the waste contract have led to some budgets not being overspent. However, there was additional income from Business Rates grant.

107. Regular budget monitoring with budget managers and the Corporate Leadership Team has led to an overall small underspend of £0.357 million, which is a positive outcome.

Implications

108. This report informs Members' decision making.

Overview & Scrutiny Engagement

109. Regular reports are taken to Overview & Scrutiny relating to the Council's financial position.

Safeguarding Implications

110. Safeguarding remains a key priority for the Council and this report reflects the additional investment support the ongoing spend in looked after children and safeguarding.

Public Health Implications

111. None have been identified as arising directly from this report.

Procurement Implications

112. None have been identified as arising directly from this report.

Equalities and diversity impact of the proposals

113. None have been identified as arising directly from this report.

Environmental and Climate Change Considerations

114. None have been identified as arising directly from this report.

Risks Assessment

115. During the year, the Council has faced significant service financial pressures. Actions to manage these pressures have been previously agreed and work has been undertaken to manage the financial position.

116. The Council has identified in its corporate risk register various elements which have been covered in previous budget monitoring reports, most notably the impact the current economic climate has on the Council's finances.

117. The capital budget for 2018/19, as detailed in this report, has been revised to £133.167 million. Within any capital programme there are a number of potential risks such as from cost overruns or lower than expected levels of capital receipts. Such issues will be highlighted, as soon as they establish themselves, through the quarterly reporting process. Members may wish to bear in mind that the capital programme has been set for a five year period and therefore risks will be appraised over that period.

Financial implications

118. This is the subject of the report.

Legal Implications

119. None have been identified as arising directly from this report.

Proposals

120. Cabinet are asked to note:

- a) the outturn for the General Revenue Fund and HRA, subject to external audit, of a General Fund underspend of £0.357 million and additional top up deposit of £1.800 million
- b) an HRA underspend of £2.119 million and a planned contribution to finance the capital programme of £6.503 million. This gives an overall draw from HRA revenue reserve of £4.384 million.
- c) transfers to the General Revenue Fund and Earmarked reserves, as set out in Sections 67-72 of the report, and return to HRA reserves.
- d) The position of the 2018/19 capital programme as at Outturn (31 March 2019).
- e) the unaudited Statement of Accounts for 2018/19.

Cabinet area asked to approve:

- f) The budget virements in revenue and capital programme, per appendices B & F.

Reasons for Proposals

121. To inform effective decision making and ensure a sound financial control environment.

Background Papers and Consultation

None

Contact Name:

Becky Hellard, Interim Director – Finance and Procurement,
becky.hellard@wiltshire.gov.uk

Report Author: Matthew Tiller, Chief Accountant

Appendices:

Appendix A: Revenue Budget Movements 2018/19
Appendix B: Major Virements between Service Areas from Original budget
Appendix C: Revenue Budget Monitoring Statements
Appendix D: Outturn Variance Movements
Appendix E: 2018/19 Capital Programme Budget Movements and final spend
Appendix F: Delegated authority for budget movements
Appendix G: Movement on Earmarked Reserves 2018/19
Appendix H: Statement of Accounts 2018/19 (unaudited)

Wiltshire Council Revenue Budget Movements 2018/2019

Service	Original Budget	Structural Changes	Revised Original Budget	In Year Virements to Period 4	Revised Budget Period 4	In Year Virements to Period 7	Revised Budget Period 7	In Year Virements to Period 9	Revised Budget Period 9	In Year Virements to Period 12	Revised Budget Period 12	Major Virements See Appendix B
	£m	£m	£m	£m								
Adult Care & Public Health Service												
ASC Operations - Access & Reablement												
Adults 18+	54.388	0.000	54.388	(3.935)	50.453	0.214	50.667	0.000	50.667	2.122	52.789	*
Learning Disabilities & Mental Health												
Mental Health	18.497	0.000	18.497	(1.722)	16.775	(0.437)	16.338	0.000	16.338	0.050	16.388	*
Learning Disabilities	45.162	0.000	45.162	1.032	46.194	0.000	46.194	0.000	46.194	1.002	47.196	*
Commissioning												
Adults Commissioning	20.643	0.000	20.643	4.743	25.386	0.009	25.395	0.000	25.395	(0.378)	25.017	*
Public Health & Protection												
Public Health Grant	0.000	0.000	0.000	0.000	0.000	0.084	0.084	0.000	0.084	(0.108)	(0.024)	
Other Public Health & Public Protection	0.668	0.000	0.668	0.000	0.668	0.458	1.126	0.003	1.129	0.000	1.129	
Legal & Democratic												
Legal & Democratic	3.299	0.787	4.086	0.159	4.245	0.000	4.245	0.000	4.245	(0.179)	4.066	
Children & Education Service												
Commissioning												
Childrens Commissioning	4.873	0.000	4.873	0.352	5.225	0.137	5.362	0.153	5.515	(0.734)	4.781	*
Family & Children Services												
Children's Social Care	39.535	0.000	39.535	0.690	40.225	1.044	41.269	0.000	41.269	(0.322)	40.947	*
0-25 Service: Disabled Children & Adults	20.035	0.000	20.035	0.005	20.040	(0.521)	19.519	(0.048)	19.471	4.862	24.333	*
Early Help	(0.036)	0.000	(0.036)	0.034	(0.002)	(0.048)	(0.050)	0.000	(0.050)	0.000	(0.050)	
Education & Skills												
School Effectiveness	2.084	0.000	2.084	0.008	2.092	(0.193)	1.899	0.036	1.935	(0.555)	1.380	*
Funding Schools	0.000	0.000	0.000	(0.480)	(0.480)	0.480	0.000	0.000	0.000	(3.278)	(3.278)	*
Communities & Communication												
Communications	1.848	0.000	1.848	(0.520)	1.328	0.107	1.435	0.000	1.435	0.179	1.614	
Libraries, Heritage & Arts	3.271	0.000	3.271	0.594	3.865	0.145	4.010	0.000	4.010	0.002	4.012	
Leisure	(0.362)	0.000	(0.362)	0.189	(0.173)	0.000	(0.173)	0.000	(0.173)	0.000	(0.173)	
Human Resources & Org Development												
Human Resources & Organisational Development	3.126	0.000	3.126	0.265	3.391	0.000	3.391	0.000	3.391	0.000	3.391	
Growth, Investment & Place												
Economic Development & Planning												
Economic Development & Planning	2.581	(0.787)	1.794	0.095	1.889	0.040	1.929	0.001	1.930	0.661	2.591	*
Highways & Transport												
Highways	17.405	0.000	17.405	0.789	18.194	0.000	18.194	0.000	18.194	(0.018)	18.176	
Transport	17.180	0.000	17.180	0.023	17.203	0.000	17.203	0.000	17.203	0.000	17.203	
Car Parking	(6.826)	0.000	(6.826)	0.019	(6.807)	0.000	(6.807)	0.000	(6.807)	(0.025)	(6.832)	
Waste & Environment												
Waste & Environment	36.367	0.000	36.367	(0.051)	36.316	0.140	36.456	0.000	36.456	(0.119)	36.337	
Housing & Commercial Development												
Housing Services	4.189	0.000	4.189	0.063	4.252	0.000	4.252	0.000	4.252	(0.332)	3.920	*
Strategic Asset & Facilities Management	11.579	0.000	11.579	0.063	11.642	0.000	11.642	0.000	11.642	(0.031)	11.611	
Corporate Services & Digital												
Corporate Services	4.966	0.000	4.966	0.426	5.392	0.000	5.392	0.000	5.392	(0.125)	5.267	
Information Services	9.255	0.000	9.255	(0.245)	9.010	(0.006)	9.004	0.064	9.068	(0.800)	8.268	*
Finance & Procurement												
Finance & Procurement	6.088	0.000	6.088	(0.120)	5.968	1.039	7.007	(0.105)	6.902	0.713	7.615	*
Revenues & Benefits - Subsidy	(0.500)	0.000	(0.500)	0.000	(0.500)	(0.200)	(0.700)	0.000	(0.700)	0.000	(0.700)	
Corporate												
Corporate Directors												
Corporate Directors	1.058	0.000	1.058	(0.004)	1.054	0.000	1.054	0.000	1.054	0.000	1.054	
Members	2.118	0.000	2.118	0.109	2.227	0.000	2.227	(0.001)	2.226	0.000	2.226	
Corporate												
Movement on Reserves	(0.900)	0.000	(0.900)	(0.070)	(0.970)	(0.041)	(1.011)	0.000	(1.011)	(3.135)	(4.146)	*
Capital Financing	21.024	0.000	21.024	0.000	21.024	0.000	21.024	0.000	21.024	1.785	22.809	*
Restructure & Contingency	0.177	0.000	0.177	(0.680)	(0.503)	(1.310)	(1.813)	(0.103)	(1.916)	(0.102)	(2.018)	*
General Government Grants	(23.891)	0.000	(23.891)	(0.353)	(24.244)	(0.602)	(24.846)	0.000	(24.846)	(1.135)	(25.981)	*
Corporate Levies	8.845	0.000	8.845	(1.478)	7.367	(0.539)	6.828	0.000	6.828	0.000	6.828	
2018/2019 Budget Requirement	327.746	0.000	327.746	0.000	327.746	(0.000)	327.746	0.000	327.746	(0.000)	327.746	
HRA Budget	(0.245)	0.000	(0.245)	0.000	(0.245)	0.000	(0.245)	0.000	(0.245)	0.000	(0.245)	
	327.501	0.000	327.501	0.000	327.501	(0.000)	327.501	0.000	327.501	(0.000)	327.501	

More details are given of major virements in Appendix B. These areas are marked above with *

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Major Virements between Services Areas from Period 9 to Outturn

APPENDIX B

Net virements over £250,000

	£m
Adults 18+	
ASC Salary Realignment (18+ and Learning Disability)	(0.205)
EMR Withdrawals/Deposits	2.327
In Year Virements period 9-Outturn	2.122
Learning Disabilities	
ASC Salary Realignment (18+ and Learning Disability)	0.205
Redundancy	0.085
EMR Withdrawals/Deposits	0.712
In Year Virements period 9-Outturn	1.002
Adults Commissioning	
EMR Withdrawals/Deposits	(0.378)
In Year Virements period 9-Outturn	(0.378)
Childrens Commissioning	
EMR Withdrawals/Deposits	(0.633)
Other miscellaneous adjustment	(0.101)
In Year Virements period 9-Outturn	(0.734)
Childrens Social Care	
Redundancy	0.181
EMR Withdrawals/Deposits	(0.503)
In Year Virements period 9-Outturn	(0.322)
0-25 Service: Disabled Children & Adults	
EMR Withdrawals/Deposits	4.862
In Year Virements period 9-Outturn	4.862
School Effectiveness	
Redundancy	0.029
EMR Withdrawals/Deposits	(0.591)
Other miscellaneous adjustment	0.007
In Year Virements period 9-Outturn	(0.555)
Funding Schools	
EMR Withdrawals/Deposits	(1.430)
Schools Reserves Transfers	(1.848)
In Year Virements period 9-Outturn	(3.278)
Economic Development & Planning	
EMR Withdrawals/Deposits	0.661
In Year Virements period 9-Outturn	0.661
Housing Services	
Redundancy	0.036
EMR Withdrawals/Deposits	(0.368)
In Year Virements period 9-Outturn	(0.332)
Information Services	
EMR Withdrawals/Deposits	(0.800)
In Year Virements period 9-Outturn	(0.800)
Finance & Procurement	
Other miscellaneous adjustment	0.084
Redundancies	0.042
EMR Withdrawals/Deposits	0.587
In Year Virements period 9-Outturn	0.713
Movement on Reserves	
EMR Withdrawals/Deposits	(3.883)
Draw down from reserves	(1.100)
Schools Reserves Transfers	1.848
In Year Virements period 9-Outturn	(3.135)
Capital Financing	
Waste Borrowing Virement	1.460
EMR Withdrawals/Deposits	0.325
In Year Virements period 9-Outturn	1.785
Restructure & Contingency	
Redundancy	(1.285)
Other miscellaneous adjustment	(0.092)
EMR Withdrawals/Deposits	0.175
Draw down from reserves	1.100
In Year Virements period 9-Outturn	(0.102)
General Government Grants	
EMR Withdrawals/Deposits	(1.135)
In Year Virements period 9-Outturn	(1.135)

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Wiltshire Council Revenue Budget Monitoring Statement: Outturn

31-Mar-19

		<i>Original Budget</i>	<i>Revised Budget at Outturn</i>	<i>Outturn Position for year</i>	<i>Variance for Year</i>	<i>Variance as % of Revised Budget</i>	<i>Variance Reported at Period 9</i>
		<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>		
Adult Care & Public Health Service							
ASC Operations - Access & Reablement							
Adults 18+	Gross Costs	66.848	69.202	73.793	4.591	6.6%	(0.387)
	Income	(12.460)	(16.413)	(21.858)	(5.445)	33.2%	-
	Net	54.388	52.789	51.935	(0.854)	(1.6%)	(0.387)
Learning Disabilities & Mental Health							
Mental Health	Gross Costs	21.682	19.336	19.851	0.515	2.7%	(0.104)
	Income	(3.185)	(2.948)	(3.166)	(0.218)	7.4%	-
	Net	18.497	16.388	16.685	0.297	1.8%	(0.104)
Learning Disabilities	Gross Costs	48.786	52.921	57.459	4.538	8.6%	4.713
	Income	(3.624)	(5.725)	(7.769)	(2.044)	35.7%	-
	Net	45.162	47.196	49.690	2.494	5.3%	4.713
Commissioning							
Adults Commissioning	Gross Costs	28.257	47.931	43.101	(4.830)	(10.1%)	(1.795)
	Income	(7.614)	(22.914)	(19.305)	3.609	(15.8%)	-
	Net	20.643	25.017	23.796	(1.221)	(4.9%)	(1.795)
Public Health & Protection							
Public Health Grant	Gross Costs	16.933	13.117	13.919	0.802	6.1%	(0.343)
	Income	(16.933)	(13.141)	(13.943)	(0.802)	6.1%	-
	Net	-	(0.024)	(0.024)	-	-	(0.343)
Other Public Health & Public Protection	Gross Costs	1.895	6.206	6.084	(0.122)	(2.0%)	0.277
	Income	(1.227)	(5.077)	(4.545)	0.532	(10.5%)	-
	Net	0.668	1.129	1.539	0.410	36.3%	0.277

Wiltshire Council Revenue Budget Monitoring Statement: Outturn

31-Mar-19

		<i>Original Budget</i>	<i>Revised Budget at Outturn</i>	<i>Outturn Position for year</i>	<i>Variance for Year</i>	<i>Variance as % of Revised Budget</i>	<i>Variance Reported at Period 9</i>
		<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>		
<u>Legal & Democratic</u>							
Legal & Democratic	Gross Costs	6.195	6.225	6.373	0.148	2.4%	-
	Income	(2.110)	(2.159)	(2.091)	0.068	(3.1%)	0.150
	Net	4.085	4.066	4.282	0.216	5.3%	0.150
Children & Education Service							
<u>Commissioning</u>							
Childrens Commissioning	Gross Costs	31.715	33.914	34.397	0.483	1.4%	(0.619)
	Income	(26.842)	(29.133)	(29.655)	(0.522)	1.8%	-
	Net	4.873	4.781	4.742	(0.039)	(0.8%)	(0.619)
<u>Family & Children Services</u>							
Children's Social Care	Gross Costs	42.798	44.626	45.297	0.671	1.5%	(0.367)
	Income	(3.263)	(3.679)	(4.541)	(0.862)	23.4%	-
	Net	39.535	40.947	40.756	(0.191)	(0.5%)	(0.367)
0-25 Service: Disabled Children & Adults	Gross Costs	50.921	54.532	60.215	5.683	10.4%	0.817
	Income	(30.886)	(30.199)	(34.942)	(4.743)	15.7%	-
	Net	20.035	24.333	25.273	0.940	3.9%	0.817
Early Help	Gross Costs	1.262	1.149	1.278	0.129	11.2%	0.083
	Income	(1.298)	(1.199)	(1.258)	(0.059)	4.9%	-
	Net	(0.036)	(0.050)	0.020	0.070	(140.0%)	0.083
<u>Education & Skills</u>							
School Effectiveness	Gross Costs	9.960	6.765	7.482	0.717	10.6%	0.065
	Income	(7.876)	(5.385)	(5.945)	(0.560)	10.4%	-
	Net	2.084	1.380	1.537	0.157	11.4%	0.065
Funding Schools	Gross Costs	126.181	133.901	167.652	33.751	25.2%	-
	Income	(126.181)	(137.179)	(169.630)	(32.451)	23.7%	-
	Net	-	(3.278)	(1.978)	1.300	(39.7%)	-

Wiltshire Council Revenue Budget Monitoring Statement: Outturn

31-Mar-19

		Original Budget	Revised Budget at Outturn	Outturn Position for year	Variance for Year	Variance as % of Revised Budget	Variance Reported at Period 9
		£m	£m	£m	£m		
Communities & Communication							
Communications	Gross Costs	2.068	1.834	1.656	(0.178)	(9.7%)	(0.062)
	Income	(0.220)	(0.220)	(0.129)	0.091	(41.4%)	-
	Net	1.848	1.614	1.527	(0.087)	(5.4%)	(0.062)
Libraries, Heritage & Arts	Gross Costs	4.758	5.650	7.111	1.461	25.9%	1.262
	Income	(1.487)	(1.638)	(1.762)	(0.124)	7.6%	-
	Net	3.271	4.012	5.349	1.337	33.3%	1.262
Leisure	Gross Costs	7.721	8.015	8.024	0.009	0.1%	0.245
	Income	(8.084)	(8.188)	(8.067)	0.121	(1.5%)	-
	Net	(0.363)	(0.173)	(0.043)	0.130	(75.1%)	0.245
Human Resources & Organisational Development							
Human Resources & Organisational Development	Gross Costs	4.872	5.099	4.827	(0.272)	(5.3%)	-
	Income	(1.746)	(1.708)	(1.766)	(0.058)	3.4%	-
	Net	3.126	3.391	3.061	(0.330)	(9.7%)	-
Growth, Investment & Place Service							
Economic Development & Planning							
Economic Development & Planning	Gross Costs	9.673	10.332	11.343	1.011	9.8%	0.250
	Income	(7.878)	(7.741)	(8.506)	(0.765)	9.9%	-
	Net	1.795	2.591	2.837	0.246	9.5%	0.250
Highways & Transport							
Highways	Gross Costs	19.223	20.045	21.690	1.645	8.2%	-
	Income	(1.818)	(1.869)	(3.795)	(1.926)	103.0%	-
	Net	17.405	18.176	17.895	(0.281)	(1.5%)	-
Transport	Gross Costs	18.869	18.892	19.125	0.233	1.2%	-
	Income	(1.689)	(1.689)	(1.922)	(0.233)	13.8%	-
	Net	17.180	17.203	17.203	0.000	0.0%	-
Car Parking	Gross Costs	1.505	1.775	1.727	(0.048)	(2.7%)	-
	Income	(8.331)	(8.607)	(8.185)	0.422	(4.9%)	0.280
	Net	(6.826)	(6.832)	(6.458)	0.374	(5.5%)	0.280

Wiltshire Council Revenue Budget Monitoring Statement: Outturn

31-Mar-19

		<i>Original Budget</i>	<i>Revised Budget at Outturn</i>	<i>Outturn Position for year</i>	<i>Variance for Year</i>	<i>Variance as % of Revised Budget</i>	<i>Variance Reported at Period 9</i>
		<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>		
<u>Waste & Environment</u>							
Waste & Environment	Gross Costs	44.854	44.391	48.488	4.097	9.2%	3.965
	Income	(8.487)	(8.054)	(8.052)	0.002	(0.0%)	-
	Net	36.367	36.337	40.436	4.099	11.3%	3.965
<u>Housing & Commercial Development</u>							
Housing Services	Gross Costs	8.603	8.651	9.256	0.605	7.0%	(0.055)
	Income	(4.414)	(4.731)	(5.748)	(1.017)	21.5%	-
	Net	4.189	3.920	3.508	(0.412)	(10.5%)	(0.055)
Strategic Asset & Facilities Management	Gross Costs	16.671	16.655	16.946	0.291	1.7%	(0.175)
	Income	(5.092)	(5.044)	(5.975)	(0.931)	18.5%	-
	Net	11.579	11.611	10.971	(0.640)	(5.5%)	(0.175)
<u>Corporate Services & Digital</u>							
Corporate Services	Gross Costs	6.120	6.348	7.157	0.809	12.7%	-
	Income	(1.154)	(1.081)	(2.283)	(1.202)	111.2%	-
	Net	4.966	5.267	4.874	(0.393)	(7.5%)	-
Information Services	Gross Costs	11.663	10.677	12.446	1.769	16.6%	-
	Income	(2.408)	(2.409)	(3.266)	(0.857)	35.6%	-
	Net	9.255	8.268	9.180	0.912	11.0%	-
<u>Finance</u>							
Finance & Procurement	Gross Costs	19.326	21.051	20.425	(0.626)	(3.0%)	-
	Income	(13.238)	(13.436)	(13.734)	(0.298)	2.2%	-
	Net	6.088	7.615	6.691	(0.924)	(12.1%)	-
Revenues & Benefits - Subsidy	Gross Costs	111.386	91.751	87.240	(4.511)	(4.9%)	-
	Income	(111.886)	(92.451)	(87.530)	4.921	(5.3%)	-
	Net	(0.500)	(0.700)	(0.290)	0.410	(58.6%)	-

Wiltshire Council Revenue Budget Monitoring Statement: Outturn

31-Mar-19

		<i>Original Budget</i>	<i>Revised Budget at Outturn</i>	<i>Outturn Position for year</i>	<i>Variance for Year</i>	<i>Variance as % of Revised Budget</i>	<i>Variance Reported at Period 9</i>
		<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>		
Corporate							
Corporate Directors							
Corporate Directors & Membs	Gross Costs	1.072	1.068	1.066	(0.002)	(0.2%)	-
	Income	(0.014)	(0.014)	(0.036)	(0.022)	157.1%	-
	Net	1.058	1.054	1.030	(0.024)	(2.3%)	-
Members	Gross Costs	2.118	2.226	2.162	(0.064)	(2.9%)	-
	Income	-	-	-	-		-
	Net	2.118	2.226	2.162	(0.064)	(2.9%)	-
Corporate							
Movement on Reserves		(0.900)	(4.146)	(3.244)	0.902	(21.8%)	-
Capital Financing		21.024	22.809	19.311	(3.498)	(15.3%)	-
Restructure & Contingency		0.178	(2.018)	1.413	3.431	(170.0%)	1.358
General Government Grants		(23.891)	(25.981)	(34.720)	(8.739)	33.6%	(7.900)
Corporate Levys		8.845	6.828	6.443	(0.385)	(5.6%)	(0.500)
	Net	5.256	(2.508)	(10.797)	(8.289)	330.5%	(7.042)
Wiltshire Council General Fund Total							
	Gross Costs	749.191	761.777	806.793	45.016	-18.87%	0.728
	Income	(421.445)	(434.031)	(479.404)	(45.373)	563.6%	0.430
	Net	327.746	327.746	327.389	(0.357)	(0.1%)	1.158
Housing Revenue Account (HRA)	Gross Costs	25.028	25.572	24.058	(1.514)	(5.9%)	(0.500)
	Income	(25.273)	(25.817)	(26.422)	(0.605)	2.3%	-
	Net	(0.245)	(0.245)	(2.364)	(2.119)	864.9%	(0.500)
Total Including HRA							
	Gross Costs	774.219	787.349	830.851	43.502	5.5%	0.228
	Income	(446.718)	(459.848)	(505.826)	(45.978)	10.0%	0.430
	Net	327.501	327.501	325.024	(2.476)	(0.8%)	0.658

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Appendix D: Variance Movements

	Variance Reported for Period 4 £m	Movement in Period	Variance Reported for Period 7 £m	Movement in Period	Variance Reported for Period 9 £m	Movement in Period	Turn Variance £m
Adult Care & Public Health Service							
ASC Operations - Access & Reablement							
Adults 18+	0.451	(0.616)	(0.165)	(0.222)	(0.387)	(0.467)	(0.854)
Learning Disabilities & Mental Health							
Mental Health	0.865	(1.054)	(0.189)	0.085	(0.104)	0.401	0.297
Learning Disabilities	3.224	1.562	4.786	(0.073)	4.713	(2.219)	2.494
Commissioning							
Adults Commissioning	(0.589)	(1.485)	(2.074)	0.279	(1.795)	0.574	(1.221)
Public Health & Protection							
Public Health Grant	0.000	(0.247)	(0.247)	(0.096)	(0.343)	0.343	0.000
Other Public Health & Public Protection	0.070	0.177	0.247	0.030	0.277	0.133	0.410
Legal & Democratic							
Legal & Democratic	0.066	0.034	0.100	0.050	0.150	0.066	0.216
Children & Education Service							
Commissioning							
Childrens Commissioning	0.000	0.000	0.000	(0.619)	(0.619)	0.580	(0.039)
Family & Children Services							
Children's Social Care	0.000	0.053	0.053	(0.420)	(0.367)	0.176	(0.191)
0-25 Service: Disabled Children & Adults	(0.576)	0.903	0.327	0.490	0.817	0.123	0.940
Early Help	0.059	0.024	0.083	0.000	0.083	(0.013)	0.070
Education & Skills							
School Effectiveness	0.000	0.000	0.000	0.065	0.065	0.092	0.157
Funding Schools	0.000	0.000	0.000	0.000	0.000	1.300	1.300
Communities & Communication							
Communications	0.000	(0.062)	(0.062)	0.000	(0.062)	(0.025)	(0.087)
Libraries, Heritage & Arts	0.883	0.379	1.262	0.000	1.262	0.075	1.337
Leisure	0.215	0.030	0.245	0.000	0.245	(0.115)	0.130
Human Resources & Organisational Development							
Human Resources & Organisational Development	0.000	0.000	0.000	0.000	0.000	(0.330)	(0.330)
Growth, Investment & Place							
Economic Development & Planning							
Economic Development & Planning	0.150	(0.150)	0.000	0.250	0.250	(0.004)	0.246
Highways & Transport							
Highways	0.900	(0.900)	0.000	0.000	0.000	(0.281)	(0.281)
Transport	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Car Parking	0.130	(0.130)	0.000	0.280	0.280	0.094	0.374
Waste & Environment							
Waste & Environment	3.786	0.179	3.965	0.000	3.965	0.134	4.099
Housing & Commercial Development							
Housing Services	0.000	0.000	0.000	(0.055)	(0.055)	(0.357)	(0.412)
Strategic Asset & Facilities Management	0.124	(0.124)	0.000	(0.175)	(0.175)	(0.465)	(0.640)
Corporate Services & Digital							
Corporate Services (includes Business Services)	0.150	0.000	0.150	(0.150)	0.000	(0.393)	(0.393)
Information Services	0.000	0.000	0.000	0.000	0.000	0.912	0.912
Finance & Procurement							
Finance & Procurement	0.045	(0.120)	(0.075)	0.075	0.000	(0.924)	(0.924)
Revenues & Benefits - Subsidy	0.000	0.000	0.000	0.000	0.000	0.410	0.410
Corporate							
Corporate Directors							
Corporate Directors	0.000	0.000	0.000	0.000	0.000	(0.024)	(0.024)
Members	0.000	0.000	0.000	0.000	0.000	(0.064)	(0.064)
Corporate							
Movement on Reserves	(1.250)	1.250	0.000	0.000	0.000	0.902	0.902
Capital Financing	0.000	0.000	0.000	0.000	0.000	(3.498)	(3.498)
Restructure & Contingency	1.855	(0.497)	1.358	0.000	1.358	2.073	3.431
General Government Grants	(7.500)	0.300	(7.200)	(0.700)	(7.900)	(0.839)	(8.739)
Corporate Levies	(0.500)	0.000	(0.500)	0.000	(0.500)	0.115	(0.385)
TOTAL FORECAST VARIANCE MOVEMENT	2.558	(0.494)	2.064	(0.906)	1.158	(1.515)	(0.357)
HRA Budget	0.000	0.000	0.000	(0.500)	(0.500)	(1.619)	(2.119)
TOTAL FORECAST VARIANCE MOVEMENT INCLUDING HRA	2.558	(0.494)	2.064	(1.406)	0.658	(3.134)	(2.476)

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Capital Programme Budget Movements and Final Spend 2018/2019

Scheme Name	2018/2019 Budget Breakdown													
	Period 9 Budget	Budget Movements between Schemes	Additional Budgets added to the Programme (Section 1 Appendix F)	Grant Amendments	Reduced Budgets	Budgets reprogrammed from 2018/2019 into 2019/2020 (Section 2 Appendix F)	Final Budget 2018/2019	Total Spend 2018/2019	Budget Remaining 2018/2019	Underspend (Budget Removed)	Overspend	Costs Transferred to Revenue	Budget Transfer to 2019/2020	Total Spend 2018/2019
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Growth, Investment & Place Service														
A350 Dualling Chippenham Bypass	3.885					0.156	4.041	4.040	0.001				0.000	99.98%
M4 Junction 17	0.502						0.502	0.502	0.000				0.000	100.00%
Boscombe Down	1.896						1.896	0.683	1.213				1.213	36.02%
A350 West Ashton/Yarnbrook Junction Improvements	0.000					0.003	0.003	0.003	0.000				0.000	100.00%
Chippenham Station HUB	1.500						1.500	1.248	0.252				0.252	83.20%
Corsham Mansion House	1.898						1.898	1.807	0.091				0.091	95.21%
Porton Science Park	0.096						0.096	0.214	(0.118)		(0.117)		0.000	222.92%
Salisbury Central Car Park & Maltings	1.687						1.687	0.073	1.614				1.614	4.33%
Salisbury LGF Schemes	0.000		0.120				0.120	0.120	0.000				0.000	100.00%
LED Street Lighting	0.000						0.000	0.000	0.000				0.000	-
Oil to Biomass Schemes	0.028						0.028	0.000	0.028				0.028	-
Other Economic Development Schemes	0.074		0.100				0.174	0.168	0.006				0.006	96.55%
Affordable Housing including Commuted Sums	0.094		0.296				0.390	0.390	0.000				0.000	100.00%
Council House Build Programme	8.979					0.029	9.008	5.987	3.021				3.021	66.46%
Social Care Infrastructure & Strategy	0.634						0.634	0.000	0.634				0.634	-
HRA - Refurbishment of Council Stock	10.151						10.151	8.993	1.158				1.158	88.59%
Commercial - Housing Company	0.000						0.000	0.000	0.000				0.000	-
Commercial - Commercial Investment	0.000						0.000	0.000	0.000				0.000	-
Commercial - Local Development Company	0.000						0.000	0.000	0.000				0.000	-
Gypsies and Travellers Projects	0.000						0.000	0.012	(0.012)		(0.012)		0.000	-
Disabled Facilities Grants	3.083						3.083	2.866	0.217				0.218	92.96%
Facilities Management Works	3.739						3.739	1.854	1.885				1.885	49.59%
Leisure Centres & Libraries - Capital Works Requirement	0.500						0.500	0.281	0.219				0.219	56.20%
Rural Estates	0.016						0.016	0.008	0.008				0.008	50.00%
Whole Life Building & Equipment Refresh	0.843						0.843	0.540	0.303				0.303	64.06%
Depot & Office Strategy	0.000						0.000	0.000	0.000				0.000	-
Wiltshire Ultrafast Broadband	0.500					0.171	0.671	0.671	0.000				0.000	100.00%
Passenger Transport Capital	0.000						0.000	0.000	0.000				0.000	-
CIL Funded Schemes	0.000		0.078				0.078	0.035	0.043				0.043	44.87%
Bridges	3.007						3.007	2.443	0.564				0.564	81.24%
Farmers Roundabout	0.695						0.695	0.548	0.147				0.147	78.85%
Highway flooding prevention and Land Drainage schemes	1.424						1.424	1.666	(0.242)				(0.243)	116.99%
Integrated Transport	3.005	(0.050)	0.479				3.434	3.419	0.015				0.015	99.56%
National Productivity Investment Schemes	0.298						0.298	0.318	(0.020)				0.000	106.71%
Pothole Fund Grant	2.806						2.806	1.989	0.817				0.817	70.88%
Pothole Spotter 16/17	0.054						0.054	0.000	0.054				0.054	-
Structural Maintenance (Grant & Council Funded)	18.663						18.663	18.339	0.324				0.304	98.26%
Fleet Vehicles	2.849						2.849	2.621	0.228				0.227	92.00%
Salisbury CCTV	0.237						0.237	0.182	0.055				0.055	76.79%
Waste Services	0.482		0.050				0.532	0.532	0.000				0.000	100.00%
Digitisation	0.125						0.125	0.133	(0.008)		(0.008)		0.000	106.40%
ICT Schemes	2.131					0.026	2.157	2.157	0.000				0.000	100.00%
Other Schemes including cross cutting systems	0.158				(0.143)		0.015	0.000	0.015				0.014	-
Microsoft Cloud Navigator	5.778						5.778	3.484	2.294				2.294	60.30%
Wiltshire Online	3.053				(0.004)		3.049	(0.450)	3.499				3.498	(14.76%)
Churchyards & Cemeteries	0.000						0.000	0.000	0.000				0.000	-
Housing Infrastructure Fund (HIF)	0.000					0.295	0.295	0.295	0.000				0.000	100.00%
Service Devolution & Asset Transfer	0.121						0.121	0.022	0.099				0.099	18.18%
SAP Enhancement	0.000					0.010	0.010	0.010	0.000				0.000	100.00%
Growth, Investment & Place Service Total	84.991	(0.050)	1.123	0.000	(0.147)	0.690	86.607	68.203	18.404	0.000	(0.137)	0.000	18.538	29.424
Children & Education Service														
Area Boards and LPSA PRG Reward Grants	0.941						0.941	0.529	0.412				0.411	56.22%
Health and Wellbeing Centres - Live Schemes	6.925	0.050					6.975	5.271	1.704				1.705	75.57%
Health and Wellbeing Centres - In Development	0.000						0.000	(0.146)	0.146			0.146	0.000	-
Hub Programme Office Rationalisation	0.000						0.000	(0.033)	0.033			0.033	0.000	-
Fitness Equipment for Leisure Centres	0.050						0.050	0.000	0.050				0.050	-
Operational Estate	0.200						0.200	0.072	0.128		0.003		0.125	36.00%
Libraries - Self Service	0.000						0.000	0.000	0.000				0.000	-
Access and Inclusion	0.005	(0.003)	0.050				0.052	0.025	0.027				0.028	48.08%
Army Rebasing	5.358		3.964				9.322	9.322	0.000				0.000	100.00%

Capital Programme Budget Movements and Final Spend 2018/2019

2018/2019 Budget Breakdown

Scheme Name	Period 9 Budget	Budget Movements between Schemes	Additional Budgets added to the Programme (Section 1 Appendix F)	Grant Amendments	Reduced Budgets	Budgets reprogrammed from 2018/2019 into 2019/2020 (Section 2 Appendix F)	Final Budget 2018/2019	Total Spend 2018/2019	Budget Remaining 2018/2019	Underspend (Budget Removed)	Overspend	Costs Transferred to Revenue	Budget Transfer to 2019/2020	Total Spend 2018/2019
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Basic Need	25.075					(6.866)	18.209	14.369	3.840				3.840	78.91%
Devolved Formula Capital	0.679		1.063				1.742	1.742	0.000		(0.001)		0.000	100.00%
Healthy Pupils Capital Fund	0.247						0.247	0.221	0.026				0.026	89.47%
New Schools	0.653						0.653	0.461	0.192				0.192	70.60%
School Expansions & Replacements	0.230						0.230	0.204	0.026				0.026	88.70%
Schools Maintenance & Modernisation	7.027	0.003				(1.075)	5.955	4.543	1.412				1.412	76.29%
Special Schools	0.000					0.083	0.083	0.083	0.000				0.000	100.00%
Early Years & Childcare	0.937					(0.761)	0.176	0.176	0.000				0.000	100.00%
SEND Capital	0.387						0.387	0.132	0.255				0.255	34.11%
Transformation schemes in childrens services	0.000						0.000	0.000	0.000				0.000	-
Children & Education Service Total	48.714	0.050	5.077	0.000	0.000	(8.619)	45.222	36.971	8.251	0.003	(0.001)	0.179	8.070	81.75%

Capital Programme Budget Movements and Final Spend 2018/2019

2018/2019 Budget Breakdown

Scheme Name	Period 9 Budget	Budget Movements between Schemes	Additional Budgets added to the Programme (Section 1 Appendix F)	Grant Amendments	Reduced Budgets	Budgets reprogrammed from 2018/2019 into 2019/2020 (Section 2 Appendix F)	Final Budget 2018/2019	Total Spend 2018/2019	Budget Remaining 2018/2019	Underspend (Budget Removed)	Overspend	Costs Transferred to Revenue	Budget Transfer to 2019/2020	Total Spend 2018/2019
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Adult Care & Public Health Service														
Adult Care Liquid Logic	0.000					0.313	0.313	0.313	0.000				0.000	-
Adult Care Transitions	0.000		0.140				0.140	0.000	0.140				0.140	-
Adults Transformation Phase 2	0.723					0.008	0.731	0.731	0.000				0.000	100.00%
Sensory Stimulation & Development Play Equipment	0.154						0.154	0.070	0.084				0.084	45.45%
Adult Care & Public Health Service Total	0.877	0.000	0.140	0.000	0.000	0.321	1.338	1.114	0.224	0.000	0.000	0.000	0.224	1.455
2018/2019 Capital Programme Total	134.582	0.000	6.340	0.000	(0.147)	(7.608)	133.167	106.288	26.879	0.003	(0.138)	0.179	26.832	79.82%

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CHIEF FINANCE OFFICER (CFO) - EXERCISE OF DELEGATED POWERS & REQUESTS FOR ADDITIONAL RESOURCES WITHIN THE CAPITAL PROGRAMME

Cabinet Meeting 11th June 2019
 Financial Year: 2018/2019

SECTION 1 - DELEGATED CFO POWERS

"Adjustment/addition of scheme in the capital programme which has no effect on the net funding position of the programme
 i.e. Additional resources available in the form of Grant, Section 106 contributions etc which fund the addition, "

Project Name:	Salisbury LGF Schemes				
Budget Change:	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	119,607				
Funding Source:	Local Growth Fund Grant from the LEP				

Project Name:	Other Economic Development Schemes				
Budget Change:	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	100,000				
Funding Source:	GPIF Salisbury Improvement Grant				

Project Name:	CIL Funded Schemes				
Budget Change:	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	78,000				
Funding Source:	Community Infrastructure Levy (CIL)				

Project Name:	Integrated Transport				
Budget Change:	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	479,477				
Funding Source:	Contributions from Town & Parish Council, TransWiltshire, and Developer Deposits				

Project Name:	Waste Services				
Budget Change:	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	49,821				
Funding Source:	Section 106 Deposits				

Project Name:	Army Rebasing				
Budget Change:	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	3,963,535				
Funding Source:	Section 106 contributions from the Ministry of Defence				

Project Name:	Devolved Formula Capital				
Budget Change:	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	1,062,680				
Funding Source:	Additional Grant from Department of Education				

5,853,120	Total Delegated Changes Approved by Section 151 Officer
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CHIEF FINANCE OFFICER (CFO) - EXERCISE OF DELEGATED POWERS & REQUESTS FOR ADDITIONAL RESOURCES WITHIN THE CAPITAL PROGRAMME

Cabinet Meeting 11th June 2019
 Financial Year: 2018/2019

SECTION 2 - DELEGATED CFO POWERS

"Schemes within the capital programme which require the reprogramming of expenditure between years due to scheme not progressing as originally anticipated or other circumstances"

Project Name:	A350 Dualling Chippenham Bypass				
Budget Change:	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	155,599	(155,599)			
Funding Source:	Local Growth Fund Grant from the LEP				
Project Name:	A350 West Ashton/Yarnbrook Junction Improvements				
Budget Change:	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	3,000	(3,000)			
Funding Source:	Local Growth Fund Grant from the LEP				
Project Name:	Council House Build Programme				
Budget Change:	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	29,272	(29,272)			
Funding Source:	HRA				
Project Name:	Wiltshire Ultrafast Broadband				
Budget Change:	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	171,400	(171,400)			
Funding Source:	BDUK & LGF Grants				
Project Name:	ICT Schemes				
Budget Change:	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	26,048	(26,048)			
Funding Source:	Wiltshire Council Resources (Borrowing & Receipts)				
Project Name:	Housing Infrastructure Fund (HIF)				
Budget Change:	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	294,851	(294,851)			
Funding Source:	Wiltshire Council Resources (Borrowing & Receipts)				
Project Name:	SAP Enhancement				
Budget Change:	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	10,200	(10,200)			
Funding Source:	Wiltshire Council Resources (Borrowing & Receipts)				
Project Name:	Basic Need				
Budget Change:	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	(6,865,932)	6,865,932			
Funding Source:	Grant from Department of Education				
Project Name:	Schools Maintenance & Modernisation				
Budget Change:	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	(1,075,000)	1,075,000			
Funding Source:	Grant from Department of Education				
Project Name:	Special Schools				
Budget Change:	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	83,157	(83,157)			
Funding Source:	Wiltshire Council Resources (Borrowing & Receipts)				
Project Name:	Early Years & Childcare				
Budget Change:	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	(760,701)	760,701			
Funding Source:	Grant from Department of Education				
Project Name:	Adult Care Liquid Logic				
Budget Change:	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	313,169	(313,169)			
Funding Source:	Wiltshire Council Resources (Borrowing & Receipts)				
Project Name:	Adults Transformation Phase 2				
Budget Change:	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023

CHIEF FINANCE OFFICER (CFO) - EXERCISE OF DELEGATED POWERS & REQUESTS FOR ADDITIONAL RESOURCES WITHIN THE CAPITAL PROGRAMME
--

Cabinet Meeting	11th June 2019
Financial Year:	2018/2019

Funding Source:	8,179	(8,179)	Wiltshire Council Resources (Borrowing & Receipts)
<hr/>			
	<u>7,606,758</u>	Total Re-programming between years	

SECTION 3 - REQUESTS TO CABINET FOR ADDITIONAL RESOURCES

"Adjustment/addition of scheme to the capital programme which places an additional funding requirement on the programme"

Project Name:	Affordable Housing including Commuted Sums				
Budget Change:	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	296,218				
Funding Source:	RTB Capital Receipts				

Project Name:	Access and Inclusion				
Budget Change:	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	50,000				
Funding Source:	Borrowing				

Project Name:	Adult Care Transitions				
Budget Change:	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	140,000				
Funding Source:	Flexible Use of Capital Receipts				

	<u>486,218</u>	Total requests for additional resources
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In the exercise of my delegated powers (Section 1 and 2), I hereby authorise the amendments to the Capital Programme summarised above.

CHIEF FINANCE OFFICER: Becky Hellard

DATE: June 2019

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Appendix G: Movement on Earmarked Reserves 2018/19

Code	Reserve	Balance as at 1 April 2018	Withdrawals during 2018/19	Deposits during 2018/19	Balance as at 31 March 2019
987001	Locally Managed Schools Balances	(5,930)	1,830	(3,678)	(7,778)
987002	Insurance Reserve	(3,239)		(175)	(3,414)
987003	PFI Reserve	(3,873)	390		(3,483)
987013	Elections Reserve	(200)		(200)	(400)
987014	Revenue Grants Reserve	(6,714)	7,163	(3,881)	(3,432)
987015	Area Board Reserve	(34)		(134)	(168)
987023	PFI Housing Scheme EMR	(2,851)	90		(2,761)
987028	Wiltshire Foundation Trust	(21)		(31)	(52)
987032	Single View of the Customer	(829)	88		(741)
987033	Play Area Asset Transfer	(80)		(19)	(99)
987034	Enabling fund	(5,227)	1,816		(3,411)
987035	Business Rates Equalisation Fund	(4,828)		(1,030)	(5,858)
987036	HB Subsidy Clawback	(500)	500		0
987038	CMS Earmarked Reserve	(325)	325		0
987039	Disabled Facilities Grant	(274)	274		0
987040	Adoption West	(200)	127		(73)
987041	Waste Transformation	(1,250)	1,250		0
987042	Area Board Pavements	(150)		(150)	(300)
987043	Leisure EMR	(67)	10		(57)
987044	Capital Financing Reserve	(3,300)	972		(2,328)
987045	Development of Local Plan	(500)	200		(300)
987046	Building Control Aspire MOD	(30)	30		0
987047	Development Control Cyclical Fund	(66)	66		0
987048	Reducing Parental Conflict			(40)	(40)
987049	CAMHS Funding			(76)	(76)
987050	Pewsey Campus			(32)	(32)
987051	National Armed Forces Day			(35)	(35)
987052	Culver Street Car Park			(25)	(25)
987053	Microsoft Contract			(800)	(800)
987054	Young Parents Support			(250)	(250)
987055	Oxenwood			(80)	(80)
987056	Ofsted			(450)	(450)
987057	School Readiness			(300)	(300)
987058	Salisbury Recovery			(500)	(500)
		(40,488)	15,131	(11,886)	(37,243)

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Wiltshire Council

DRAFT UNAUDITED

Annual Report and Statement of Accounts

2018/2019

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Leader’s introduction & Corporate Directors introduction

To be inserted before final version

Director of Finance's Narrative Report

To be inserted before final version

Annual Governance Statement

The Annual Governance Statement will be added upon its completion and approval at Audit Committee

Statements to the Accounts

The Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is required to:

- Arrange for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the management of those affairs. In this Council, that officer is the Chief Financial Officer;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts.

The Chief Financial Officer's Responsibilities

The Chief Financial Officer is responsible for the preparation of the Statement of Accounts (which includes the financial statements) in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

In preparing this Statement of Accounts, the Chief Financial Officer has:

- selected appropriate accounting policies and applied them consistently;
- made reasonable and prudent judgements and estimates;
- complied with the Code of Practice.
- kept proper, up to date accounting records;
- taken reasonable steps to prevent and detect fraud and other irregularities;
- assessed the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- used the going concern basis of accounting on the assumption that the functions of the Council will continue in operational existence for the foreseeable future; and
- maintained such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error,

The Statement of the Chief Financial Officer

I certify that the Statement of Accounts gives a true and fair view of the financial position of Wiltshire Council at 31 March 2019 and of its income and expenditure for the year then ended.

This statement will be signed following the completion of the Audit.

Becky Hellard

Interim Director, Finance & Procurement (Chief Financial Officer/Section 151 Officer)

Wiltshire Council

24 July 2019

Approval of the Statement of Accounts

I can confirm that these accounts were approved by the Audit Committee at its meeting held on 24 July 2019.

This statement will be signed following the completion of the Audit.

Councillor Richard Britton

Chairman of the Audit Committee

24 July 2019

Independent Auditor's Report to the Members of Wiltshire Council

This will be added following the completion of the annual audit

KEY FINANCIAL STATEMENTS

Comprehensive Income and Expenditure Statement

This account shows expenditure on and income from the Council's day to day activities. Expenditure includes salaries, wages, service and depreciation charges. It gives the cost of the main services provided by the Council. This statement is shown in a statutory format. Details about how this ties back to the Council's regular budget monitoring reporting is shown in the Expenditure and Funding Analysis Statement.

	2018/2019			2017/2018		
	Expenditure £000	Income £000	Net Expenditure £000	Expenditure £000	Income £000	Net Expenditure £000
General Fund Services						
ASC Operations - Access & Reablement	75,993	(21,857)	54,136	71,278	(17,590)	53,688
Learning Disability & Mental Health	78,360	(10,933)	67,427	75,113	(9,056)	66,057
Commissioning	77,658	(48,802)	28,856	66,086	(45,359)	20,727
Public Health & Protection	20,522	(18,477)	2,045	20,473	(17,177)	3,296
Legal & Democratic	6,903	(2,087)	4,816	8,588	(2,966)	5,622
Family & Children Services	112,804	(41,833)	70,971	99,012	(38,418)	60,594
Education & Skills	198,505	(174,899)	23,606	189,773	(171,937)	17,836
Communities & Communications	20,580	(9,919)	10,661	22,865	(9,388)	13,477
Human Resources & Org Development	5,218	(1,757)	3,461	5,458	(1,570)	3,888
Economic Development & Planning	12,836	(8,501)	4,335	22,353	(7,736)	14,617
Highways & Transport	54,505	(13,892)	40,613	51,569	(12,422)	39,147
Waste & Environment	53,012	(8,049)	44,963	45,743	(7,703)	38,040
Housing & Commercial Development	39,488	(11,718)	27,770	39,453	(10,516)	28,937
Corporate Services & Digital	21,606	(5,539)	16,067	20,619	(3,794)	16,825
Finance	108,230	(100,819)	7,411	122,088	(115,998)	6,090
Corporate Directors	3,302	(33)	3,269	3,128	(13)	3,115
Corporate	14,000	(4,964)	9,036	13,847	(8,864)	4,983
Housing Revenue Account (HRA)	22,377	(26,253)	(3,876)	20,856	(25,675)	(4,819)
Net Cost of Service	925,899	(510,332)	415,567	898,302	(506,182)	392,120
Other operating Expenditure		Note 3	43,599			30,200
Financing and Investment Income and Expenditure		Note 4	24,889			27,091
Taxation and non-specific grant income		Note 5	(470,087)			(457,232)
(Surplus)/ Deficit on Provision of Services			13,968			(7,821)
(Surplus) or deficit on revaluation of Property, Plant and Equipment Assets			(8,229)			(39,406)
Actuarial (gains)/losses on pension assets / liabilities			34,485			(91,485)
Other Comprehensive Income and Expenditure			26,256			(130,891)
Total Comprehensive Income and Expenditure			40,224			(138,712)

Movement in Reserves Statement

The Council maintains a number of reserves that are recorded on the balance sheet. Some are required to be held for statutory reasons, some are needed to comply with proper accounting practice, and others have been set up voluntarily to earmark resources for future spending plans.

	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves (Restated) £000	Total Authority Reserves £000
Balance at 1 April 2017	(43,379)	(23,170)	(9,722)	(1,182)	(34,790)	(112,243)	33,179	(79,064)
Movement in reserves during 2017/2018								
Total Comprehensive Income and Expenditure	(11,648)	3,827	0	0	0	(7,821)	(130,891)	(138,712)
Adjustments between accounting basis & funding basis under regulations	1,596	1,392	(3,275)	(417)	(19,207)	(19,911)	19,911	0
Net (Increase)/Decrease before Transfers	(10,052)	5,219	(3,275)	(417)	(19,207)	(27,732)	(110,980)	(138,712)
Balance at 31 March 2018 carried forward	(53,431)	(17,951)	(12,997)	(1,599)	(53,997)	(139,975)	(77,801)	(217,776)
Movement in reserves during 2018/2019								
Total Comprehensive Income and Expenditure	9,578	4,390	0	0	0	13,968	26,256	40,224
Adjustments between accounting basis & funding basis under regulations	(8,490)	(6)	1,027	(3,140)	(9,749)	(20,358)	20,358	0
Net (Increase)/Decrease before Transfers	1,088	4,384	1,027	(3,140)	(9,749)	(6,390)	46,614	40,224
Balance at 31 March 2019 carried forward	(52,343)	(13,567)	(11,970)	(4,739)	(63,746)	(146,365)	(31,187)	(177,552)

Balance Sheet

This statement summarises the Council's assets and liabilities at 31 March for the years 2019 and 2018.

	NOTES	31 March 2019		31 March 2018
		£000	£000	£000
Property, Plant and Equipment	15			
Council Dwellings & Garages		272,259		270,823
Other Land and Buildings		349,781		354,635
Vehicles, Plant, Furniture and Equipment		64,720		74,993
Infrastructure		388,208		357,494
Community Assets		6,061		6,160
Assets Under Construction		50,672		62,806
Surplus Assets Not Held for Sale		7,724		9,890
			1,139,425	1,136,801
Investment Properties	23	23,452		23,244
Intangible Assets	24	1,985		564
Assets Held for Sale	25	7,156		10,165
Long Term Debtors		6,403		5,638
			38,996	
Long Term Assets			1,178,421	1,176,412
Current Assets				
Short Term Investments		102,277		63,805
Inventories		789		737
Short Term Debtors	26	50,531		50,614
Cash and Cash Equivalents	27	6,703		8,694
Current Assets			160,300	123,850
Current Liabilities				
Short Term Creditors	28	(95,689)		(86,079)
Short Term Borrowing	30	(10,172)		(16,951)
Short Term PFI Creditors	22	(2,706)		(2,553)
Provisions	29	(3,596)		(4,017)
Current Liabilities			(112,163)	(109,600)
Long Term Liabilities				
Long Term PFI Creditors	22	(45,360)		(48,367)
Long Term Borrowing	30	(335,029)		(313,037)
Other Long Term Liabilities		(14,042)		(7,376)
Pension Fund Liability	38	(613,750)		(550,836)
Planning Deposits		(40,825)		(53,270)
Long Term Liabilities			(1,049,006)	(972,886)
Net Assets			177,552	217,776
Financed by				
Usable Reserves	31		(146,365)	(139,975)
Unusable Reserves	35		(31,187)	(77,801)
Total Reserves			(177,552)	(217,776)

Becky Hellard

Interim Director, Finance & Procurement (Section 151 Officer)

31 May 2019

Cashflow Statement

This consolidated statement summarises the movement of cash between the Council and third parties for both capital and revenue purposes.

	NOTES	2018/2019 £000	2017/2018 £000
Net (surplus) or deficit on the provision of services		13,968	(7,821)
Adjustments to net surplus or deficit on the provision of services for non-cash movements		(11,008)	13,750
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	39	(11,368)	(12,162)
Net cash flows from Operating Activities		(8,408)	(6,233)
Investing Activities	40	25,612	(1,011)
Financing Activities	41	(15,213)	12,554
Net decrease or (increase) in cash and cash equivalents		<u>1,991</u>	<u>5,310</u>
Cash and cash equivalents at the beginning of the reporting period		8,694	14,004
Cash and cash equivalents at the end of the reporting period		6,703	8,694

Expenditure & Funding Analysis Statement

This analysis shows how annual expenditure is used and funded from annual resources (government grants, rents, council tax and business rates) by the Council in comparison with the economic resources consumed or earned by the Council in accordance with generally accepted accounting practice. It shows how the expenditure is allocated for decision making purposes between the Council's services. Income and expenditure is shown more fully in the Comprehensive Income & Expenditure statement.

	2018/2019			2017/2018		
	Net Expenditure Chargeable to the General Fund & HRA Balances £000	Adjustments between Funding and Accounting Basis (see note 13) £000	Net Expenditure in the Comprehensive Income & Expensive Statement £000	Net Expenditure Chargeable to the General Fund & HRA Balances £000	Adjustments between Funding and Accounting Basis (see note 13) £000	Net Expenditure in the Comprehensive Income & Expensive Statement £000
General Fund Services						
ASC Operations - Access & Reablement	51,935	2,201	54,136	52,024	1,664	53,688
Learning Disability & Mental Health	66,375	1,052	67,427	65,189	868	66,057
Commissioning	28,538	318	28,856	20,497	230	20,727
Public Health & Protection	1,515	530	2,045	1,739	1,557	3,296
Legal & Democratic	4,282	534	4,816	5,144	478	5,622
Family & Children Services	66,049	4,922	70,971	57,759	2,835	60,594
Education & Skills	(441)	24,047	23,606	714	17,122	17,836
Communities & Communications	6,833	3,828	10,661	6,720	6,757	13,477
Human Resources & Org Development	3,061	400	3,461	3,483	405	3,888
Economic Development & Planning	2,837	1,498	4,335	2,542	12,075	14,617
Highways & Transport	28,640	11,973	40,613	29,469	9,678	39,147
Waste & Environment	40,436	4,527	44,963	36,599	1,441	38,040
Housing & Commercial Development	14,479	13,291	27,770	15,370	13,567	28,937
Corporate Services & Digital	14,054	2,013	16,067	14,823	2,002	16,825
Finance	6,401	1,010	7,411	5,290	800	6,090
Corporate Directors	3,192	77	3,269	3,049	66	3,115
Corporate	(10,797)	19,833	9,036	(9,470)	14,453	4,983
Net Cost of Service General Fund	327,389	92,054	419,443	310,941	85,998	396,939
Housing Revenue Account (HRA)	4,384	(8,260)	(3,876)	5,219	(10,038)	(4,819)
Transfer to Earmarked Reserves	3,245	(3,245)	0	(9,642)	9,642	0
Net Cost of Service	335,018	80,549	415,567	306,518	85,602	392,120
Other operating Expenditure	0	43,599	43,599	0	30,200	30,200
Financing and Investment Income and Expenditure	0	24,889	24,889	0	27,091	27,091
Taxation and non-specific grant income	(329,546)	(140,541)	(470,087)	(311,351)	(145,881)	(457,232)
(Surplus)/ Deficit	5,472	8,496	13,968	(4,833)	(2,988)	(7,821)
Balance Summary						
Opening General Fund & HRA Balance at 31 March	(71,382)			(66,549)		
Add (Surplus) on General Fund & HRA Balances in Year	5,472			(4,833)		
Closing General Fund and HRA Balance at 31 March	(65,910)			(71,382)		

Analysed between type of balance	General Fund	Earmarked Reserves	HRA	Total Balances
Opening Balance at 1 April 2017	(12,533)	(30,846)	(23,170)	(66,549)
Add (Surplus)/ Deficit in year 2017/2018	(410)	(9,642)	5,219	(4,833)
Closing Balance at 31 March 2018	(12,943)	(40,488)	(17,951)	(71,382)
Add (Surplus) in year 2018/2019	(2,157)	3,245	4,384	5,472
Closing balances at 31 March 2019	(15,100)	(37,243)	(13,567)	(65,910)

Notes to the Core Financial Statements

Introduction to the Explanatory Notes

The Statement of Accounts summarises the Council's transactions for the 2018/2019 financial year and its position at the year-end of 31 March 2019. The Statement of Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018/2019 and the accounting policies are set out in the Notes to the Accounts Annex 1. For ease of reference, the notes to the core financial statement are grouped in functional areas. In order to streamline the Statement of Accounts and make them more user friendly, a number of notes have been removed this year from previous years, as allowed by the code of practice. These are all non-material notes so do not affect the information presented.

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

Note 1 Revenue outturn

In respect of net revenue outturn, the Council's 2018/2019 General Fund revised budget and actual spending figures were as below:

	Original Budget £m	Revised Budget £m	Actual £m	Difference £m
Total General Fund (a)	327.746	327.746	327.389	(0.357)
Additional financial stability top up to reserves			(1.800)	(1.800)
Funded by:				
Draw from General Fund reserves				
Formula Grant	(8.050)	(8.050)	(8.046)	0.004
Business Rates Retained	(55.700)	(55.700)	(56.993)	(1.293)
Council Tax	(240.033)	(240.033)	(240.033)	0.000
Social Care Levy	(18.417)	(18.417)	(18.417)	0.000
Collection Fund (Surplus)/Deficit Council Tax	(1.546)	(1.546)	(5.506)	(3.960)
Collection Fund (Surplus)/Deficit NDR	(4.000)	(4.000)	1.249	5.249
Total Funding (b)	(327.746)	(327.746)	(327.746)	0.000
Movement on General Fund (a) + (b)	(0.000)	(0.000)	(2.157)	(2.157)

The overall underspend against the revised 2018/2019 budget was £0.357 million. The Council made an additional financial stability top up to reserves of £1.800 million. Therefore the overall movement on the General Fund is a £2.157 million return to reserves. More details about the Council's revenue spending on services are given, with notes, in the Comprehensive Income & Expenditure Statement and subsequent notes.

Note 1b Expenditure and Income Analysed by Nature

	2018/2019 £000	2017/2018 £000
Expenditure		
Services expenses	878,078	853,750
Depreciation, amortisation and impairment	63,185	60,760
Interest payments	12,328	12,590
Precept and levies	19,804	16,954
Loss on disposal of assets	22,920	12,491
Total Expenditure	996,315	956,545
Income		
Fees, charges and other service income	(510,332)	(506,182)
Interest and investment income	(960)	(428)
Movements in the market value of Investment Properties	(968)	(524)
Income from Council Tax and Business Rates	(339,225)	(306,826)
Government Grants and contributions	(42,766)	(59,524)
Other grants and contributions	(88,096)	(90,882)
Total Income	(982,347)	(964,366)
Deficit on the Provision of Services	13,968	(7,821)

Note 2 Exceptional items

There are no exceptional items in the accounts for either 2018/2019 or 2017/2018.

Note 3 Other Operating Expenditure

	2018/2019 £000	2017/2018 £000
Parish council precepts	19,804	16,954
Payments to the Government Housing Capital Receipts Pool	875	755
(Gains)/losses on the disposal of non-current assets	22,920	12,491
Total	43,599	30,200

Note 4 Financing and Investment Income and Expenditure

	2018/2019 £000	2017/2018 £000
Interest payable and similar charges	12,328	12,590
Interest and investment income	(960)	(428)
Pension Interest Costs and expected return on pension assets	14,489	15,453
Movements in the market value of Investment Properties	(968)	(524)
Total	24,889	27,091

Note 5 Taxation and Non Specific Grant Income

The Council raises the following income in respect of Council Tax, Non Domestic Rates (NDR) and General Government Grants which are not attributable to specific services.

	2018/2019	2017/2018
	£000	£000
Council Tax Transfer	(258,450)	(237,304)
Collection Fund Surplus	(5,506)	(2,530)
Parish Council Precepts	(19,804)	(16,954)
Adjustment for statutory requirements	2,079	3,191
Council Tax Income	(281,681)	(253,597)
General Government Grants	(34,720)	(41,236)
Formula Grant	(8,046)	(18,288)
Business Rates Retention Scheme	(55,744)	(53,229)
Additional reserves contribution	(1,800)	0
Capital grants and contributions	(88,096)	(90,882)
Total	(470,087)	(457,232)

Note 6 Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2018/2019:

This table will be inserted in the final version of the accounts.

Note 7 Dedicated Schools Grant

The Council's expenditure on schools is funded primarily by grant monies provided by the Department for Education, the Dedicated Schools Grant (DSG). An element of DSG is recouped by the Department to fund academy schools in the Council's area. DSG is ringfenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School Finance (England) Regulations 2013. The Schools Budget includes elements for a range of educational services provided on a Council-wide basis and for the Individual Schools Budget, which is divided into a budget share for each maintained school.

Details of the deployment of DSG receivable for 2018/2019 are as follows:

	Central Expenditure £000	Individual Schools Budget (ISB) £000	2018/2019 Total £000	2017/2018 Total £000
Final DSG for year before academy recouplement			(343,264)	(330,349)
Academy figure recouped			162,790	152,675
Total DSG after academy recouplement			(180,474)	(177,674)
Brought forward from previous year			(846)	(583)
Agreed initial budget distribution	(69,372)	(111,948)	(181,320)	(178,257)
In Year Adjustments	36		36	246
Final budgeted distribution	(69,336)	(111,948)	(181,284)	(178,011)
Less actual central expenditure	72,709		72,709	63,016
Less actual ISB deployed to schools		111,948	111,948	114,149
Local Authority Contribution	(1,300)		(1,300)	0
Carry forward	2,073	0	2,073	(846)

Note 8 Pooled Budgets**Partnerships Schemes under S31 Health Act****Better Care Fund**

The Better Care Fund (BCF) is a programme spanning both the NHS and local government. It was created to improve the lives of some of the most vulnerable people in our society, placing them at the centre of their care and support, and providing them with 'wraparound' fully integrated health and social care, resulting in an improved experience and better quality of life.

Wiltshire Council and Wiltshire CCG have entered into a formal arrangement from 1 April 2015 to deliver services via the Better Care Fund. The expenditure via the Better Care Fund was as follows:

	2018/2019	2017/2018
	£000	£000
Self Care, Self Support	1,645	1,569
Intermediate Care	14,267	13,503
Access, rapid response 7 day working	3,534	3,777
Care Bill	2,500	2,500
Protecting Social Care	18,810	12,577
Invest in Engagement with Heathwatch	0	100
Scheme Management	433	248
Social Care Capital	3,828	2,275
Workforce and bought forward schemes	0	0
Integrated Community Equipment	5,328	4,971
Total Expenditure before return to partners	50,345	41,520
Return to Partners CCG	0	0
Return to Partners Wiltshire Council	0	3,435
Total Schemes	50,345	44,955

This was funded from income and grants as follows:

	2018/2019	2017/2018
	£000	£000
Wiltshire CCG BCF Contribution	(31,776)	(31,551)
Wiltshire Council BCF Contribution	(8,943)	(4,524)
Disabled Facilities Grant	0	(3,070)
Improved Better Care Fund	(9,626)	(5,810)
Total Income and Grants	(50,345)	(44,955)

Note 9 Members' Allowances

The Council paid the following amounts to Members of the Council during the year.

	2018/2019	2017/2018
	£000	£000
Allowances	1,908	1,860
Expenses	76	78
Total	1,984	1,938

Note 10 Officers' Remuneration

The Council is required to disclose the number of employees who received taxable remuneration from Wiltshire Council in excess of £50,000 for the year. These figures include Wiltshire Council employees as well as teaching and non-teaching employees employed directly by Wiltshire Council Schools. This table is based on full remuneration and not just salary.

Remuneration Band £	2018/2019	2017/2018
	No. Employees	No. Employees
50,000-54,999	91	95
55,000-59,999	70	84
60,000-64,999	57	48
65,000-69,999	30	18
70,000-74,999	16	18
75,000-79,999	15	4
80,000-84,999	7	3
85,000-89,999	6	3
90,000-94,999	3	3
95,000-99,999	6	3
100,000-104,999	7	2
105,000-109,999	1	1
110,000-114,999	1	0
115,000-119,999	0	0
120,000-124,999	2	0
125,000-129,999	2	1
130,000-134,999	0	1
135,000-139,999	0	0
140,000-144,999	1	1
145,000-149,999	2	0
150,000-154,999	1	1
155,000-159,999	0	1
160,000-164,999	0	1
165,000-169,999	0	0
170,000-174,999	0	1
175,000-179,999	0	1
TOTAL	318	290

Notes:

Officers' remuneration includes compensation for loss of office (redundancy).

2018/2019 Remuneration for Senior Employees - Salary is £150,000 or more per year

(Included in Officer's Remuneration Bandings)

Post Holder	Salary (including fees and allowances) £	Bonuses £	Expense Allowances £	Compensation for loss of Office £	Benefits in Kind £	Total Remuneration excluding pension contributions 2018/2019 £	Employers Pension Contributions £	Total Remuneration including pension contributions 2018/2019 £
Executive Director, Adult Care, Public Health & Digital - Carlton Brand	154,290	0	0	0	0	154,290	30,858	185,148
	154,290	0	0	0	0	154,290	30,858	185,148

2017/2018 Remuneration for Senior Employees - Salary is £150,000 or more per year
(Included in Officer's Remuneration Bandings)

Post Holder	Salary (including fees and allowances) £	Bonuses £	Expense Allowances £	Compensation for loss of Office £	Benefits in Kind £	Total Remuneration excluding pension contributions 2017/2018 £	Employers Pension Contributions £	Total Remuneration including pension contributions 2017/2018 £
Corporate Director, Communities, Resources & Digital - Carlton Brand (Subnote F)	151,265	0	179	0	0	151,444	28,740	180,184
	151,265	0	179	0	0	151,444	28,740	180,184

2018/2019 Remuneration for Senior Employees - Salary is less than £150,000 but equal to or more than £50,000 per year (Included in Officer's Remuneration Bandings)

2018/2019	Post Holder	Salary (including fees and allowances) £	Bonuses £	Expense Allowances £	Compensation for loss of Office £	Benefits in Kind £	Total Remuneration excluding pension contributions 2018/2019 £	Employers Pension Contributions £	Total Remuneration including pension contributions 2018/2019 £
	Executive Director, Growth, Investment & Place	144,730	0	976	0	0	145,706	28,946	174,652
	Executive Director, Children & Education	144,730	0	336	0	0	145,066	28,946	174,012
	Director, Human Resources & Organisational Development - Head of Paid Service	97,898	0	0	0	0	97,898	19,579	117,477
	Director, Finance & Procurement - s151 Officer (Subnote G)	6,595	0	41	0	0	6,636	1,319	7,955
	Director, Legal and Governance - Monitoring Officer	107,925	0	0	0	0	107,925	21,584	129,509
		501,878	0	1,353	0	0	503,231	100,374	603,605

2017/2018 Remuneration for Senior Employees - Salary is less than £150,000 but equal to or more than £50,000 per year (Included in Officer's Remuneration Bandings)

2017/2018	Post Holder	Salary (including fees and allowances) £	Bonuses £	Expense Allowances £	Compensation for loss of Office £	Benefits in Kind £	Total Remuneration excluding pension contributions 2017/2018 £	Employers Pension Contributions £	Total Remuneration including pension contributions 2017/2018 £
	Corporate Director, Growth, Investment & Place (Subnote A & F)	124,437	0	1,448	0	0	125,885	23,643	149,528
	Corporate Director, Children & Education (Subnote B & F)	133,215	0	986	0	0	134,201	25,311	159,512
	Corporate Director C (Subnote C & F)	88,238	0	0	0	0	88,238	16,765	105,003
	Associate Director, People & Business (Subnote D & F)	96,919	0	228	81,169	0	178,316	13,402	191,718
	Director, Human Resources & Organisational Development (Subnote E & F)	82,750	0	0	0	0	82,750	15,723	98,473
	Director, Finance & Procurement - s151 Officer	105,810	0	318	0	0	106,128	20,104	126,232
	Director Legal & Democratic - Monitoring Officer	102,528	0	0	0	0	102,528	19,480	122,008
		733,897	0	2,980	81,169	0	818,046	134,428	952,474

Subnote A:

Corporate Director, Growth, Investment & Place was appointed on 14 August 2017. The annualised salary for the post is £137,210. Prior to 14 August 2017, the post holder was previously the Associate Director, Economy & Planning. The annualised salary was £101,513.

Subnote B:

Corporate Director, Children & Education was appointed on 14 August 2017 and is designated as the Director of Children's Services (which is a required statutory role) from this date. The annualised salary for the post is £137,210. Prior to 14 August 2017, the post holder was previously the Associate Director, Operational Children's Services. The annualised salary was £104,761.

Subnote C:

Corporate Director C is designated as the Director of Adult Social Services which is a required statutory role, and was designated as the Director of Children's Services (which is a required statutory role) until 13 August 2017. Corporate Director C left the employment of the Council on 31 October 2017. The annualised salary was £149,767.

Subnote D:

Associate Director, People & Business left the employment of the Council on 30 November 2017 following a senior management restructure. The postholder received £81,169 as a severance payment. The annualised salary was £104,761.

Subnote E:

Director, Human Resources & Organisational Development was appointed on 6 November 2017 and is designated as the Head of Paid Service (which is a statutory role) from this date. The annualised salary for the post is £95,978. Prior to 6 November 2017, the post holder was previously the Head of Human Resources & Organisational Development. The annualised salary was £73,097.

Subnote F:

As of November 2013, the statutory role of Head of Paid service is discharged between the Corporate Directors on a rotational basis. Following a report to Cabinet on 20 June 2017, this designation was transferred to the Associate Director role with responsibility for HR, which at the time was the Associate Director, People & Business. Per Subnote E, this designation transferred to the Director, Human Resources & Organisational Development on 6 November 2017.

Subnote G:

Director, Finance & Procurement left the employment of the Council on 23 April 2018 and has since been filled on an interim basis pending recruitment of a new permanent postholder. The annualised salary for the post was £105,809.

Exit Packages

Exit packages include all benefits provide in relation to the termination of employment. These include redundancy payments, pay in lieu of notice and pension strain. The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

Exit Package Cost Band (including special payments) £	Number of Compulsory Redundancies		Number of Other Departures Agreed		Total Number of Exit Packages by Cost Band		Total Cost of Exit Packages in Each Band	
	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018 £	2018/2019 £
0-20,000	3	2	90	56	93	58	794,469	480,768
20,001-40,000	0	0	7	19	7	19	196,692	553,735
40,001-60,000	0	0	1	14	1	14	58,989	671,465
60,001-80,000	0	0	2	1	2	1	152,270	63,030
80,001-100,000	0	0	1	0	1	0	81,169	0
Total	3	2	101	90	104	92	1,283,589	1,768,998

In 2018/2019 there were 26 exit packages relating to schools, with a value of £220,429.

Note 11 External Audit Fees

Wiltshire Council incurred the following fees in respect of external audit and statutory inspection in accordance with the Local Audit & Accountability Act 2014.

	2018/2019 £000	2017/2018 £000
Fees payable for external audit services carried out by the appointed auditor	129	180
Fees payable for the certification of grant claims and returns	24	27
Fees payable in respect of other services provided by external auditors during the year	0	0
Total	153	207

Note 12 Related Parties

The Council is required to disclose material transactions with related parties. Related parties are persons or entities that are related to Wiltshire Council. A related party transaction is a transfer of resources or obligations between a reporting entity (Wiltshire Council) and a related party, regardless of whether a price is charged. Related party transactions exclude transactions with any other entity that is a related party solely because of its economic dependence on the authority or the government of which it forms part.

UK Central Government has significant influence over the general operations of the Council. It is responsible for providing the statutory framework, within which the Council operates, provides the majority of its funding in the

form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Details of Grant receipts are shown in Note 6.

Members of the Council have direct control over the Council's financial and operating policies. The total of Members' Allowances paid in 2018/2019 is shown in note 9. If a Member declares an interest in a transaction which involves the Council, these transactions are recorded in the Register of Members' Interests, open to public inspection at County Hall, Trowbridge. The register has been reviewed and Members have not disclosed any material transactions with related parties.

Officers – under the requirements of the Local Government Act 2000, the Council has developed a Code of Conduct for officers and established a Register of Officers interests. This Register of interests has been reviewed and no material transactions have been discovered.

Wiltshire Pension fund – In 2018/2019 the Council charged the fund £1.478 million (£1.472 million in 2017/2018) for expenses incurred in administering the fund.

Note 13 Note to the Funding Analysis

Adjustments to General Fund to add Expenditure or Income not Chargeable to taxations or rents and remove items which are only chargeable under statute

	2017/2018			Total Adjustments
	Capital Purposes (Note 13a)	Pension Adjustments (Note 13b)	Other Differences (Note 13c)	
	£000	£000	£000	£000
General Fund Services				
ASC Operations - Access & Reablement	646	1,016	2	1,664
Learning Disability & Mental Health	203	654	11	868
Commissioning	0	232	(2)	230
Public Health & Protection	1,029	516	12	1,557
Legal & Democratic	5	487	(14)	478
Family & Children Services	233	2,601	1	2,835
Education & Skills	16,084	1,966	(928)	17,122
Communities & Communications	5,622	1,156	(21)	6,757
Human Resources & Org Development	35	372	(2)	405
Economic Development & Planning	11,284	788	3	12,075
Highways & Transport	8,996	677	5	9,678
Waste & Environment	804	644	(7)	1,441
Housing & Commercial Development	14,825	436	(1,694)	13,567
Corporate Services & Digital	991	985	26	2,002
Finance	0	803	(3)	800
Corporate Directors	0	65	1	66
Corporate	3	376	23,716	24,095
Housing Revenue Account (HRA)	0	263	(10,301)	(10,038)
Net Cost of Service	60,760	14,037	10,805	85,602
Other operating Expenditure	12,491		17,709	30,200
Financing and Investment Income and Expenditure		14,929	12,162	27,091
Taxation and non-specific grant income			(145,881)	(145,881)
(Surplus)/ Deficit	73,251	28,966	(105,205)	(2,988)

	2018/2019			Total Adjustments £000
	Capital Purposes (Note 13a) £000	Pension Adjustments (Note 13b) £000	Other Differences (Note 13c) £000	
General Fund Services				
ASC Operations - Access & Reablement	1,176	1,004	21	2,201
Learning Disability & Mental Health	346	667	39	1,052
Commissioning	1	297	20	318
Public Health & Protection	14	510	6	530
Legal & Democratic	65	464	5	534
Family & Children Services	2,361	2,532	29	4,922
Education & Skills	23,868	1,782	(1,603)	24,047
Communities & Communications	2,688	1,135	5	3,828
Human Resources & Org Development	36	359	5	400
Economic Development & Planning	743	750	5	1,498
Highways & Transport	11,291	674	8	11,973
Waste & Environment	4,196	397	(66)	4,527
Housing & Commercial Development	14,611	469	(1,789)	13,291
Corporate Services & Digital	1,047	950	16	2,013
Finance	279	735	(4)	1,010
Corporate Directors	0	70	7	77
Corporate	0	872	15,716	16,588
Housing Revenue Account (HRA)	463	264	(8,987)	(8,260)
Net Cost of Service	63,185	13,931	3,433	80,549
Other operating Expenditure	22,920		20,679	43,599
Financing and Investment Income and Expenditure	(968)	14,489	11,368	24,889
Taxation and non-specific grant income			(140,541)	(140,541)
(Surplus)/ Deficit	85,137	28,420	(105,061)	8,496

Note 13a Adjustments for Capital Funding and Expenditure Purposes

These adjustments are made to the General Fund Balances to meet the requirements of generally accepted accounting practices. For services, this column includes adjustments for depreciation, impairment and revenue funded by capital. In other operating expenditure this adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.

Note 13b Net changes for the removal of pension contributions and the addition of pension (IAS19) related expenditure and income

Net changes for the removal of pension contribution and the addition of IAS 19 Employee Benefits pension related expenditure and income. For services this represents the removal of the employer pension contributions made by the authority as permitted by statute and the replacement with current services costs and past service costs.

Note 13c Other Differences

Other differences between the amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute. These include adjustment for accumulated absences, PFI service charges and items reported to members but not included in statutory net cost of service (e.g. general government grants, movement on reserves and interest).

Note 14 Adjustments between accounting basis and funding basis under regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

Reserves 2018/2019	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Total Unusable Reserves £000
Adjustments primarily involving the Capital Adjustment Account						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement						
Charges for depreciation of non-current assets	(24,129)			(12,153)		36,282
Charges for impairment/ revaluations of plant, property and equipment	(20,395)	(464)				20,859
Movements in the market value of Investment Properties	969					(969)
Amortisation of intangible assets	(356)					356
Revenue expenditure funded from capital under statute	(17,842)					17,842
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(18,119)	(4,759)	(16,033)			38,911
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	13,843					(13,843)
Capital expenditure charged against the General Fund and HRA balances		5,486				(5,486)
Adjustments primarily involving the Capital Grants Unapplied Account:						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement and Expenditure Statement	88,096				(88,096)	0
Application of grants to capital financing transferred to the Capital Adjustment Account					78,347	(78,347)
Adjustments primarily involving the Capital Receipts Reserve:						
Use of the Capital Receipts Reserve to finance new capital expenditure			11,602			(11,602)
Use of the Capital Receipts Reserve to finance repayment of HRA debt			4,810			(4,810)
Reserve to finance the payments to the Government capital receipts pool	(917)		917			0
Adjustments primarily involving the Deferred Capital Receipts Reserve						
Transfer of deferred sale proceeds credited as part of the gain/ loss on disposal to the Comprehensive Income and Expenditure Statement	165		(269)			104
Adjustment primarily involving the Major Repairs Reserve						
Use of the Major Repairs Reserve to finance new capital expenditure and depreciation				9,013		(9,013)
Adjustment primarily involving the Financial Instruments Adjustments Account:						
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	2					(2)
Adjustments primarily involving the Pensions Reserve						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 61)	(28,166)	(263)				28,429
Adjustments primarily involving the Collection Fund Adjustment Account:						
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(3,030)					3,030
Amount by which non-domestic rate income credited to the Comprehensive Income and Expenditure Statement is different from non-domestic rates income calculated for the year in accordance with statutory requirements	950					(950)
Adjustment primarily involving the Accumulated Absences Account						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	439	(6)				(433)
Total Adjustments	(8,490)	(6)	1,027	(3,140)	(9,749)	20,358

Reserves 2017/2018	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Total Unusable Reserves £000
Adjustments primarily involving the Capital Adjustment Account						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement						
Charges for depreciation of non-current assets	(20,837)			(11,548)		32,385
Charges for impairment/ revaluations of plant, property and equipment	(20,357)					20,357
Movements in the market value of Investment Properties	524					(524)
Amortisation of intangible assets	(446)					446
Revenue expenditure funded from capital under statute	(19,119)					19,119
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(7,383)	(5,108)	(9,905)			22,396
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	11,472					(11,472)
Capital expenditure charged against the General Fund and HRA balances	0	6,762				(6,762)
Adjustments primarily involving the Capital Grants Unapplied Account:						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement and Expenditure Statement	90,882				(90,882)	0
Application of grants to capital financing transferred to the Capital Adjustment Account					71,675	(71,675)
Adjustments primarily involving the Capital Receipts Reserve:						
Use of the Capital Receipts Reserve to finance new capital expenditure			6,104			(6,104)
Reserve to finance the payments to the Government capital receipts pool	(755)		755			0
Adjustments primarily involving the Deferred Capital Receipts Reserve						
Transfer of deferred sale proceeds credited as part of the gain/ loss on disposal to the Comprehensive Income and Expenditure Statement	130		(229)			99
Adjustment primarily involving the Major Repairs Reserve						
Reversal of Major Repairs Allowance credited to the HRA						0
Use of the Major Repairs Reserve to finance new capital expenditure and depreciation				11,131		(11,131)
Adjustment primarily involving the Financial Instruments Adjustments Account:						
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	2					(2)
Adjustments primarily involving the Pensions Reserve						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 61)	(29,267)	(263)				29,530
Employer's pensions contributions and direct payments to pensioners payable in the year						0
Adjustments primarily involving the Collection Fund Adjustment Account:						
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	3,206					(3,206)
Amount by which non-domestic rate income credited to the Comprehensive Income and Expenditure Statement is different from non-domestic rates income calculated for the year in accordance with statutory requirements	(6,397)					6,397
Adjustment primarily involving the Accumulated Absences Account						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(59)	1				58
Total Adjustments	1,596	1,392	(3,275)	(417)	(19,207)	19,911

BALANCE SHEET NOTES RELATING TO CAPITAL**Note 15 Property, Plant and Equipment (PPE)**

	Council Dwellings & Garages inc land £000	Other Land & Buildings £000	Vehicles, Plant and Equipment £000	Infra-structure £000	Community Assets £000	Assets under Construction £000	Surplus Assets £000	Total Property, and Plant & Equipment £000	PFI included in PPE £000
Cost or Valuation									
Opening Balance 1 April 2018	384,670	715,970	228,259	436,525	7,098	77,522	11,988	1,862,032	92,284
Additions	8,810	21,836	7,213	9,095	0	40,268	18	87,240	(14)
Derecognition - Disposals	(1,989)	(10,235)	(12,004)	0	(99)	0	(1,263)	(25,590)	0
Derecognition - Other	0	(12,732)	(562)	0	0	0	0	(13,294)	0
Revaluation increases recognised in the Revaluation Reserve	0	22,565	3,638	0	0	0	836	27,039	7,506
Revaluation decreases recognised in the Revaluation Reserve	(8,810)	(8,349)	(1,651)	0	0	0	(1,250)	(20,060)	0
Category Adjustments	9,548	8,725	2,870	29,409	0	(52,402)	45	(1,805)	0
At 31 March 2019	392,229	737,780	227,763	475,029	6,999	65,388	10,374	1,915,562	99,776
Depreciation and Impairments									
Opening Balance 1 April 2018	(113,847)	(361,335)	(153,266)	(79,031)	(938)	(14,716)	(2,098)	(725,231)	(28,208)
Depreciation	(5,659)	(11,409)	(10,824)	(7,790)	0	0	(444)	(36,126)	(1,962)
Accumulated depreciation written back on derecognition of assets	0	4,740	1,054	0	0	0	193	5,987	0
Revaluation losses/impairment recognised in the surplus/deficit on provision of services	(464)	(19,995)	(7)	0	0	0	(301)	(20,767)	0
At 31 March 2019	(119,970)	(387,999)	(163,043)	(86,821)	(938)	(14,716)	(2,650)	(776,137)	(30,170)
Net Book Value at 31 March 2019	272,259	349,781	64,720	388,208	6,061	50,672	7,724	1,139,425	69,606
Net Book Value at 31 March 2018	270,823	354,635	74,993	357,494	6,160	62,806	9,890	1,136,801	64,076

Note 16 Information about Depreciation Methodologies

All depreciation applied is on a straight line basis using the following standard useful lives, unless the useful economic life is reviewed downwards by the external valuer;

- Council Dwellings. These are depreciated over a useful life of 30 years;
- Other Land and Buildings, Garages and Buildings are depreciated over a useful life of 50 years with the remaining useful life given by the valuers. Land is not depreciated;
- Vehicles, Plant etc. These are depreciated over a standard period of 5 years. The only exception being services of buildings which are depreciated on the remaining useful life given by the valuers;
- Community Assets, Assets under Construction and Non Operational Assets. These are not depreciated.
- Infrastructure. These are depreciated over a useful life of 60 years.

The total depreciation charged to tangible Property Plant and Equipment fixed assets for 2018/2019 is £36,127,102. (£32,176,741 in 2017/2018)

Note 17 Capital Expenditure and Capital Financing

Below is the financing of the year's capital expenditure on fixed assets and revenue expenditure funded from capital under statute. This shows the Council's overall capital financing requirement for General Fund and HRA – the underlying amount of borrowing the Council has incurred on its capital investment.

	31 March 2019		31 March 2018
	£000	£000	£000
Opening Capital Financing Requirement (see below)		539,328	537,296
Capital Investment			
Plant Property & equipment Assets	87,254		89,485
Plant Property & equipment PFI Assets	(14)		52
Investment Properties	27		405
Intangible assets	1,184		22
Revenue Expenditure Funded from Capital under Statute	17,842		19,119
		106,293	109,083
Sources of Finance			
Government Grants		(78,345)	(71,675)
Major Repairs Reserve		(9,013)	(11,131)
Capital Receipts		(11,602)	(6,104)
Assets purchased through Revenue (inc HRA)		(5,487)	(6,762)
Repayment of capital long term assets		(39)	93
Minimum Revenue Provision		(10,989)	(8,542)
Voluntary Revenue Provision		(2,853)	(261)
Minimum Revenue Provision - PFI Schemes			(2,669)
		0	(107,051)
Closing Capital Financing Requirement		527,293	539,328
Explanation of Movements in the Year			
Increase / (decrease) in underlying need to borrow		(12,035)	2,032
Increase / (decrease) in Capital Financing Requirement		(12,035)	2,032

Note 18 Fixed Asset Valuation

Assets classified as Land & Buildings, excluding County Farms, are revalued as part of the Council's rolling programme for the revaluation of fixed assets. The valuations are carried out by an external valuer, GVA Grimley, Chartered Surveyors.

County Farms were most recently revalued in 2018/2019 by a qualified external valuer. These valuations were received on 29 May, so could not be included in the draft Statement of Accounts. The statements will be updated to reflect these valuations for the final Statement of Accounts.

The basis for valuation is set out in the statement of accounting policies.

The assets revalued during 2018/2019 include Primary, Secondary, Special, Foundation & PFI Schools as well as the Investment Estate, Surplus Assets Not Held for Sale and any new assets acquired during 2018/2019 or significantly altered. All other assets will be revalued over the coming years as part of the rolling programme but have been revalued within the maximum 5 year rolling programme as dictated in the code of practice. The Council is not aware of any material change in the value of the remaining assets that were not revalued in 2018/2019.

The following table shows the split of the certified valuations for Property plant and equipment across the financial years. This table will be updated and inserted once County Farms valuations are finalised.

Schools Assets

During the 2018/2019 financial year any schools that became Academy schools have had their assets removed from the balance sheet. This is shown as a derecognition in the note for Property plant and equipment above. The Council does not recognise Academy, Voluntary Controlled and Voluntary Aided schools in its accounts.

Components and effect on depreciation

The Council complies with the IFRS requirement to componentise its property assets. Components have been applied to material items in PPE in accordance with the IFRS Code of practice.

All assets with a value over £2 million de-minimis value have been split into the following components and disclosed in the balance sheet and fixed assets notes;

- Structure – the fabric of the building
- Services – e.g. Lifts and other electrical or other services
- Fittings – internal fittings, Kitchens, doors etc
- Externals – landscaping, car parking etc

In addition all the remaining useful lives are reassessed by the external valuers. This means that services are shown separately from the structure within the plant and equipment, and services typically have a considerably shorter remaining useful life than the structure of the building.

Note 19 Revaluation and Impairment Losses

As part of the valuation process, reductions in the value of our assets (where there have previously not been upward valuations) are charged as downwards revaluation losses charged to Property, Plant and Equipment. These are detailed by asset class in note 15.

Note 20 Heritage Assets

Heritage assets are assets that are held by the Council principally for their contribution to knowledge and/ culture. Typical examples of Heritage assets would include works of art, statues, archaeological sites, military or scientific equipment. Wiltshire Council does not have extensive museum collections as most of the museums in the county are owned by other bodies. Therefore the Council does not have a significant collection of art or other antiquities that need to be disclosed on the balance sheet with a value. These assets can be disclosed in a note to the accounts if the cost of obtaining a valuation exceeds the benefit to the users of the accounts.

These principal items that have been identified as heritage assets by Wiltshire Council are:

White horse near Westbury

- The White Horse in Westbury, a chalk cutting in the hill above Westbury has been in existence for over three hundred years and is owned and maintained by the Council and is kept for historical purposes. As it is not possible to remove or sell the asset a value has not been obtained. As it is such a specialised asset it would not be possible or relevant to put a value on this asset. Therefore this asset has been disclosed in this note only.

East Grafton Wilton Windmill

- This windmill, built in 1821, is held for historic purposes being managed by the Wilton Windmill Society. As a specialised grade II listed building with a major need for ongoing repairs it is felt that it would have minimal value and the cost of obtaining the valuation would far exceed the benefit to the users. Therefore this asset has been disclosed in this note only.

Village Lock ups

- Village lock-ups are historic buildings that were used for the temporary detention of people in England and Wales. A typical village lock-up is a small structure with a single door and a narrow slit window or opening. A number of these lock ups remain in various towns across Wiltshire. Many of these are owned and maintained by Wiltshire Council and so remain part of the Heritage Assets of the County. No formal valuation has been obtained for these sites as the costs of obtaining one would outweigh the benefits of doing so, and it is felt that they would not have any material value due to their size, condition and specialisation.

County Hall Members Rooms Art

- There is a small collection of items formally held in the Members' rooms at County Hall. These include various portraits and landscapes, as well as a stuffed Bustard in a stand. These are not on public display but are kept for artistic reasons. These have been valued for insurance purposes in the past with values individually not exceeding £1,500 per item. The total value of these items is not material, nor is there a benefit to the user of the accounts in obtaining updated valuations. Therefore these items have been disclosed in this note only.

Other items of Historical Interest

- There are a small number of other art works in the Council including; a modern art piece (the Leaf) in Bourne Hill Salisbury, a newly commissioned giant painted Bustard held outside the Library in Trowbridge; various statues in parks and open spaces across the county. In addition there are various collections such as the Local Collections at Salisbury, the Savernake Collection, Arundell of Wardour collection amongst others. These items have been investigated and it is felt the cost of obtaining valuations far exceeds the benefit to the users in all these cases. Therefore these items are disclosed in this note only.

Note 21 Leases**Finance leases**

A finance lease is a lease that transfers substantially all the risks and rewards of ownership of an asset to the lessee. The Council had no finance leases in 2018/2019.

Operating leases

An operating lease is a lease that is not a finance lease (see above) and includes vehicles and other equipment particularly in schools. The Council had no operating leases in 2018/2019.

Leases held as investments

The Council does not receive income from finance leases or hire purchase contracts and has not acquired any assets for the purpose of letting under finance leases.

Note 22 Private Financing Initiatives (PFI) and similar Contracts

The total amount held in Private Financing Initiative and similar contracts is as follows:

	North Wilts Schools PFI £000	Monkton Park Modified PFI £000	Housing PFI £000	Total Long term contracts £000
Balance outstanding at 1 April 2018	(25,527)	(5,464)	(19,929)	(50,920)
Payments during the year to reduce capital liability	1,051	467	1,336	2,854
Liability outstanding 31 March 2019	(24,476)	(4,997)	(18,593)	(48,066)
Split				
Due within 1 year	(1,134)	(498)	(1,075)	(2,707)
Due in over 1 year	(23,342)	(4,499)	(17,518)	(45,359)
Liability outstanding 31 March 2019	(24,476)	(4,997)	(18,593)	(48,066)

North Wiltshire Schools PFI & Additional 6th Form Units.

Wiltshire Council has a Private Finance Initiative (PFI) for three secondary schools with White Horse Education Partnership (WHEP). WHEP are responsible for maintaining and operating the facilities for 30 years from when the first school became operational (March 2002). These are included in the non-current assets in the balance sheet with an associated liability.

The funding for the annual PFI payment comes from the Council's own resources and a special government grant called a PFI credit which is credited to the revenue account in the year that they are received.

The future estimated payments the Council will make under the contract are as follows:

Period	Liability	Interest	Service charges	2018/2019 Total	2017/2018 Total
	£000	£000	£000	£000	£000
Within 1 years	(1,134)	(1,605)	(3,478)	(6,217)	(5,947)
Within 2-5 years	(5,517)	(5,475)	(14,802)	(25,794)	(24,644)
Within 6-10 years	(9,772)	(4,054)	(20,681)	(34,507)	(32,900)
Within 11-15 years	(8,053)	(810)	(12,736)	(21,599)	(27,763)
Within 16-20 years	0	0	0	0	0
Total	(24,476)	(11,944)	(51,697)	(88,117)	(91,254)

Monkton Park Offices Modified PFI Scheme

North Wiltshire District Council entered into a long-term contract for the provision and management of Monkton Park offices. This contract is for a period of 25 years from the year 2000. The full PFI contract was modified in January 2011. Therefore only the loan associated with the capital and interest cost of building Monkton Park still has to be repaid. This is repaid directly to the Bank rather than to the former PFI joint vehicle.

The expenditure payable from 12 January 2011 onwards is the amount required for capital and interest only.

Period	Liability	Interest	2018/2019	2017/2018
	£000	£000	Total £000	Total £000
Within 1 years	(498)	(1,058)	(1,556)	(1,502)
Within 2-5 years	(2,336)	(4,449)	(6,785)	(6,555)
Within 6-10 years	(2,163)	(3,574)	(5,737)	(7,523)
Within 11-15 years			0	0
Main Scheme Total	(4,997)	(9,081)	(14,078)	(15,580)
Equalisation Fund	0	0	0	0
Total	(4,997)	(9,081)	(14,078)	(15,580)

Housing PFI Scheme

A total of 242 units have been built since 2012/2013 under a housing PFI scheme at sites across the county. These are included in the non-current assets in the balance sheet with an associated liability.

Payments are made to the PFI contractors as monthly unitary payments. These payments are commitments and can vary subject to indexation, reductions for performance and availability failures. The funding of the unitary payment will come from a government grant (the PFI credits referred to above), as well as a Council contribution.

The future estimated payments the Council will make under the contract are as follows:

Period	Liability	Interest	2018/2019	2017/2018
	£000	£000	Total £000	Total £000
Within 1 years	(1,075)	(1,065)	(2,140)	(2,190)
Within 2-5 years	(4,316)	(3,766)	(8,082)	(8,271)
Within 6-10 years	(6,450)	(2,665)	(9,115)	(9,326)
Within 11-15 years	(6,752)	(751)	(7,503)	(8,322)
Within 16-20 years			0	(1,221)
Total	(18,593)	(8,247)	(26,840)	(29,330)

Note 23 Investment Property

Investment Properties are assets that are held solely to earn rentals or for capital appreciation. The following items of income and expense have been accounted for in relation to running the investment property estate. These items are shown in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

	2018/2019 £000	2017/2018 £000
Rental income from investment property	(2,459)	(2,761)
Direct operating expenses arising from investment properties	418	592
Net (Gain)/ Loss	<u>(2,041)</u>	<u>(2,169)</u>

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancement.

The following table summarises the movement in the fair value of investment properties over the year:

	2018/2019 £000	2017/2018 £000
Balance at start of the year	23,244	22,952
Additions: Subsequent expenditure	27	405
Disposals	(10)	(819)
Gains from fair value adjustments	969	1,021
Losses from fair value adjustments	0	0
Impairments losses	(83)	(497)
Transfers (to)/from Property, Plant and Equipment	(695)	182
Balance at end of the year	<u>23,452</u>	<u>23,244</u>

Note 24 Intangible Assets

The Council accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. Intangible assets include both purchased licenses and internally generated software.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. The remaining useful lives assigned to the major software suites used by the Council along with the carrying amounts are:

	Carrying amount		Remaining Amortisation Period
	31 March 2019 £000	31 March 2018 £000	
Childrens Case Management System	1,514	0	5 Years
Planning System	0	197	0 years
Other items of software	471	367	1 - 5 years
Total	<u>1,985</u>	<u>564</u>	

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £0.356 million charged to revenue in 2018/2019 was charged to the IT Administration cost centre and then absorbed as an overhead across all the service headings in the Net Expenditure of Services. It is not possible to quantify exactly how much of the amortisation is attributable to each service heading.

All amortisation applied to Intangible assets is on a straight line basis over 5 years.

	2018/2019	2017/2018
	Purchased	Purchased
	Software	Software
	Licences	Licences
	£000	£000
Gross carrying amounts	21,775	21,753
Accumulated amortisation	(21,211)	(20,765)
Net Carrying amount	<u>564</u>	<u>988</u>
Purchases	1,184	22
Amortisation for the period	(370)	(446)
	(14)	0
Category Adjustments	607	0
Net carrying amount at end of year	<u>1,971</u>	<u>564</u>
Comprising:		
Gross carrying amounts	23,566	21,775
Accumulated amortisation	(21,581)	(21,211)
	<u>1,985</u>	<u>564</u>

Note 25 Assets Held for Sale

The Council held the following amounts as assets held for sale as at 31 March 2019. The definition of an asset held for sale is one that is readily available for sale, the planned sale will occur within 12 months and that the property is being actively marketed.

	2018/2019	2017/2018
	£000	£000
Balance at start of the year	10,165	8,750
Assets newly classified as held for sale	1,893	1,896
Depreciation	(165)	(207)
Assets Sold	(5,988)	(1,110)
Revaluations	1,251	836
Balance at end of the year	<u>7,156</u>	<u>10,165</u>

OTHER NOTES TO BALANCE SHEET**Note 26 Short Term Debtors**

These represent sums owed to the Council for supplies and services provided before 31 March 2018 but not received at that date.

	2018/2019	2017/2018
	£000	£000
Other Local Authorities	1,436	1,795
Government Departments	10,029	11,976
NHS Bodies	3,346	3,063
Business Rates and Local Taxation	14,099	12,510
Tenants	1,698	1,497
Sundry Debtors	35,615	31,368
Payments in Advance	6,720	4,647
Total Debtors	72,943	66,856
Less: provision for bad debts		
General Fund debtors	(17,867)	(12,002)
Housing Rent arrears	(1,556)	(1,349)
Council Tax arrears	(2,744)	(2,540)
Business Rates Arrears	(245)	(351)
Total Bad Debt provisions	(22,412)	(16,242)
Net Debtors	50,531	50,614

Note 27 Cash and Cash Equivalent

This consists of the bank accounts of locally managed schools and the rest of the council's cash and bank accounts.

	2018/2019	2017/2018
	£000	£000
Cash & Bank	(8,567)	(5,740)
Schools' bank accounts	15,270	14,434
	6,703	8,694

Note 28 Short Term Creditors

These represent sums owed by the Council for supplies and services received before 31 March 2019 but not paid for at that date, or provisions created in accordance with the accounting policies.

	2018/2019	2017/2018
	£000	£000
Other Local Authorities	(4,390)	(3,453)
Government Departments	(10,892)	(7,019)
NHS Bodies	(2,532)	(3,878)
Sundry Creditors	(57,874)	(51,918)
Receipts in Advance	(14,085)	(13,462)
Accumulated Absences	(5,916)	(6,349)
	(95,689)	(86,079)

Note 29 Provisions

Provisions are required for any liabilities of uncertain timing or amount that have been incurred. These should be recognised where the council has a present obligation as a result of a past event, that it is probable (i.e. the event is more likely than not to occur) a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made. If these conditions are not met no provision should be recognised. Amounts set aside for purposes falling outside the definition of provisions should be considered as earmarked reserves.

	Legal Claims	Insurance	Business Rate Retention	Termination	Other	Total
	Claims	Claims	Scheme Appeals	Benefits		
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2018	(474)	(1,266)	(1,804)	(329)	(144)	(4,017)
Additional provisions made in year	(25)	(423)	(1,884)	(71)	0	(2,403)
Amounts Used in year	0	330	1,804	267	144	2,545
Unused amounts reversed in year	0	217	0	62	0	279
Balance at 31 March 2019	(499)	(1,142)	(1,884)	(71)	0	(3,596)

Legal Claims

The Council has made provisions in respect of legal claims which may become payable by the Council depending on the outcome of a small number of individual cases totalling £0.499 million. In order not to prejudice seriously the Council's position in these cases any further information has been withheld from this publication. It is currently expected that all of these claims will be settled during the 2019/2020 financial year.

Insurance Claims

An insurance provision is accounted for when it is probable that a cost will be incurred and a reliable estimate of the cost can be made. The insurance provision for 2018/2019 is made up of 22 claims totalling £1.142 million. The 22 claims consisted of a mixture of Public and Employers Liability claims and own Property claims.

The Council self insures, with the Council meeting the first £0.100 million of each employers and public liability claim and between £0.100 million and £0.250 million for own property claims. It is currently expected that all of these claims will be settled during 2019/2020.

Insurance claims where liability has yet to be established are detailed in the Contingent Liability note 47.

Termination Benefits

As at 31 March 2019 the Council made a total provision of £0.071 million in respect of termination benefits, relating to redundancy costs for 2 employees. It is expected that all cases will be resolved during the first half of the 2019/2020 financial year.

Business Rate Retention Scheme Appeals

The Council is required to make provision for the costs associated with refunding business ratepayers with regard to current and prior year appeals against the rateable values of their properties on the rating list. The Council has estimated the total value of this provision to be £3.845 million as at 31 March 2019. This liability however, is shared between Wiltshire Council (49%), Central Government (50%) and Dorset and Wiltshire Fire & Rescue Authority (1%). The Council's share of this provision is therefore £1.884 million.

Other Provisions

There are no Other Provisions as at 31 March 2019.

Note 30 Borrowing

An analysis of loans by maturity is as follows:

	2018/2019 £000	2017/2018 £000
Short Term Borrowing		
Maturing within 1 year Temporary Loans	0	0
Maturing within 1 year Long Term Borrowing	(10,172)	(16,951)
	<u>(10,172)</u>	<u>(16,951)</u>
Long Term Borrowing		
Maturing in 1 to 2 years	(4,000)	(8,000)
Maturing in 2 to 5 years	(28,000)	(22,000)
Maturing in 5 to 10 years	(50,123)	(50,123)
Maturing in more than 10 years	(252,906)	(232,914)
Total Maturing after 1 year	<u>(335,029)</u>	<u>(313,037)</u>
Total Borrowing	<u><u>(345,201)</u></u>	<u><u>(329,988)</u></u>

The total borrowing can be further analysed by lender category:

	2018/2019 £000	2017/2018 £000
Temporary Loans	0	0
Long Term Loans:		
Public Works Loans Board	(283,220)	(267,995)
Money Market	(61,981)	(61,993)
	<u>(345,201)</u>	<u>(329,988)</u>

NOTES RELATING TO RESERVES**Note 31 Usable Reserves**

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement.

Reserve	Note	2018/2019 £000	2017/2018 £000
General Fund		(15,100)	(12,943)
Earmarked Reserves	32	(37,243)	(40,488)
General Fund balance per Movement in Reserves Statement		<u>(52,343)</u>	<u>(53,431)</u>
Housing Revenue Account Balance		(13,567)	(17,951)
Closing General fund and HRA balance per Expenditure & Funding Statement		<u>(65,910)</u>	<u>(71,382)</u>
Other Usable Reserves			
Major Repairs Reserve	33	(4,739)	(1,599)
Usable Capital Receipts Reserve	34	(11,970)	(12,997)
Capital Grants and Contributions		(63,746)	(53,997)
Unapplied Account			
Total Usable Reserves		<u><u>(146,365)</u></u>	<u><u>(139,975)</u></u>

Note 32 Transfers to/ from Earmarked reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 2018/2019.

Earmarked Reserves	2017/2018	Movement	2018/2019
	£000	in 2018/2019 £000	£000
PFI Reserve	(3,873)	390	(3,483)
Insurance Reserve	(3,239)	(175)	(3,414)
Locally Managed Schools' Balances	(5,930)	(1,848)	(7,778)
Elections Reserve	(200)	(200)	(400)
Area Board Reserve	(34)	(134)	(168)
Revenue Grants Earmarked Reserve	(6,714)	3,282	(3,432)
PFI Housing Scheme Earmarked Reserve	(2,851)	90	(2,761)
Economic Development & Planning Reserve	(21)	(31)	(52)
Single View of the Customer Reserve	(829)	88	(741)
Play Area Asset Transfers	(80)	(19)	(99)
Enabling Fund	(5,227)	1,816	(3,411)
Business Rates Equalisation Fund	(4,828)	(1,030)	(5,858)
Housing Benefit Subsidy Clawback	(500)	500	0
Childrens Management System	(325)	325	0
Disabled Facilities Grant	(274)	274	0
Adoption West	(200)	127	(73)
Waste Transformation	(1,250)	1,250	0
Area Board Pavements	(150)	(150)	(300)
Leisure	(67)	10	(57)
Capital Financing	(3,300)	972	(2,328)
Development of Local Plan	(500)	200	(300)
Building control	(30)	30	0
Development control cyclical fund	(66)	66	0
Reducing Parental Conflict	0	(40)	(40)
CAMHS Funding	0	(76)	(76)
Pewsey Campus	0	(32)	(32)
National Armed Forces Day	0	(35)	(35)
Culver Street Car Park	0	(25)	(25)
Microsoft Contract	0	(800)	(800)
Young Parents Support	0	(250)	(250)
Oxenwood	0	(80)	(80)
Ofsted	0	(450)	(450)
School Readiness	0	(300)	(300)
Salisbury Recovery	0	(500)	(500)
Total	(40,488)	3,245	(37,243)

Note 33 Major Repairs Reserve

The Major Repairs reserve was a requirement under the Accounts and Audit Regulations to transfer into it a sum not less than the Major Repairs Allowance, which was an element of the former HRA subsidy. Now that the HRA is self financing, the reserve is no longer a formal requirement but can be used as previously to earmark funds to be spent for capital expenditure on Housing Revenue Account assets.

	2018/2019 £000	2017/2018 £000
Transfer to Capital	(12,153)	11,131
HRA Depreciation	9,013	(11,548)
Transfer to HRA		0
Movement in Year	(3,140)	(417)
Balance at 1 April	(1,599)	(1,182)
Balance at 31 March	(4,739)	(1,599)

Note 34 Usable Capital Receipts Reserve

	2018/2019 £000	£000	2017/2018 £000
Amounts Receivable in year			
- disposal of land and buildings	(14,737)		(8,798)
- Other capital receipts - mortgages	(269)		(229)
- Other capital receipts	(421)		(352)
- Housing Pooled Capital Receipt	(875)		(755)
		(16,302)	(10,134)
Amounts applied to finance new capital investment in year			
- capital receipts utilised	11,602		6,104
- capital receipts utilised for HRA repayment	4,810		0
- transfer to I&E for administration costs of Housing Pooling	42		0
- transfer to I&E equal to contribution to Housing Pooled Capital receipt	875		755
		17,329	6,859
Movement in Year		1,027	(3,275)
Balance at 1 April		(12,997)	(9,722)
Balance at 31 March		(11,970)	(12,997)

Note 35 Unusable Reserves

Reserve	Note	2018/2019 £000	2017/2018 £000
Revaluation Reserve	36	(239,185)	(250,631)
Capital Adjustment Account	37	(410,607)	(381,111)
Financial Instruments Adjustment Account		951	953
Deferred capital receipts		(1,701)	(1,806)
Pensions Reserve	38	613,750	550,836
Collection Fund Adjustment Account		(311)	(2,391)
Accumulated Absences Account		5,916	6,349
Total Unusable Reserves		(31,187)	(77,801)

Note 36 Revaluation Reserve

The balance of this account represents the revaluation gains (as certified by the Council's external valuer - GVA Grimley, and the Council's internal valuer for farms) made by the Council arising from increases in the value of its Property, Plant and Equipment assets. The reserve only contains revaluation gains accumulated since 1 April 2007, the date the reserve was created. Accumulated gains prior to this have been consolidated into the balance on the Capital Adjustment account.

Revaluation Reserve	2018/2019	2017/2018
	£000	£000
Balance at 1 April	(250,631)	(229,778)
Upward revaluation of assets	(29,960)	(47,905)
Downward revaluations not charged to surplus/ deficit on the provision of services	21,730	8,499
Surplus or deficit on revaluation of non-current assets not posted to surplus/ deficit on the provision of services	(258,861)	(269,184)
Difference between fair value depreciation and historic cost depreciation	10,272	9,323
Accumulated gains on assets sold or scrapped	9,404	9,230
Balance at 31 March	(239,185)	(250,631)

Note 37 Capital Adjustment Account

The Capital Adjustment Account reflects the timing differences arising from the different arrangements for accounting for the financing of the acquisition of assets and the consumption of those assets.

This account shows the reversal of amounts relating to Capital that are charged to the Comprehensive Income and Expenditure Statement. It also shows the financing of capital expenditure and the reversal of sums charged to the Comprehensive Income and Expenditure Statement that have been set aside to repay debt.

Capital Adjustment Account

	2018/2019	2017/2018
	£000	£000
Opening balance at 1 April	(381,111)	(349,593)
Reversal of items relating to capital expenditure debited or credited to the comprehensive income and expenditure account		
- charges for depreciation of non-current assets	36,282	32,385
- charges for impairment/ revaluations of plant, property and equipment	20,789	20,357
- gains in fair value on Investment properties	(899)	(524)
- amortisation of intangible assets	356	446
- revenue expenditure funded from capital under statute	17,842	19,119
- disposals	38,909	22,396
	113,279	
Adjusting amounts written out of Revaluation Reserve	(19,676)	(18,553)
Other Adjustment to Revaluation Reserve		
Net written out amount of the cost of non-current assets consumed in the year	(287,508)	(273,967)
Capital financing applied in the year		
-Use of capital receipts reserve to finance new capital expenditure	(11,602)	(6,104)
-Use of major repairs reserve to finance new capital expenditure	(9,013)	(11,131)
-application of capital grants	(78,345)	(71,675)
-statutory provision for the financing of capital investment charged against the general fund and HRA balances	(13,842)	(11,472)
-capital expenditure charged against the general fund and HRA balances	(5,487)	(6,762)
-Use of capital receipts reserve to finance HRA debt repayment	(4,810)	0
Balance at 31 March	(410,607)	(381,111)

Note 38 Pension Fund Liability

The movement in the liabilities in the Pension Fund are as follows:

	Period ended 31 March 2019			Period ended 31 March 2018		
	Assets		Net (liability)/	Assets		Net (liability)/
	Obligations	Liabilities	asset	Obligations	Liabilities	asset
	£000	£000	£000	£000	£000	£000
Fair value of employer assets	1,044,986	0	1,044,986	971,217	0	971,217
Present value of funded liabilities	0	(1,539,538)	(1,539,538)	0	(1,525,509)	(1,525,509)
Present value of unfunded liabilities	0	(56,284)	(56,284)	0	(58,499)	(58,499)
Opening Position	1,044,986	(1,595,822)	(550,836)	971,217	(1,584,008)	(612,791)
Service cost						
Current service cost*	0	(49,915)	(49,915)	0	(50,252)	(50,252)
Past service cost (including curtailments)	0	(872)	(872)	0	(376)	(376)
Effect of settlements	(985)	1,583	598	(4,440)	7,377	2,937
Total service cost	(985)	(49,204)	(50,189)	(4,440)	(43,251)	(47,691)
Net interest						
Interest income on plan assets	27,035	0	27,035	24,064	0	24,064
Interest cost on defined benefit obligation	0	(41,524)	(41,524)	0	(39,517)	(39,517)
Impact of asset ceiling on net interest	0	0	0	0	0	0
Total net interest	27,035	(41,524)	(14,489)	24,064	(39,517)	(15,453)
Total defined benefit cost recognised in Profit or (Loss)	26,050	(90,728)	(64,678)	19,624	(82,768)	(63,144)
Cashflows						
Plan participants' contributions	7,781	(7,781)	0	7,577	(7,577)	0
Employer contributions	32,702	0	32,702	30,134	0	30,134
Contributions in respect of unfunded benefits	3,547	0	3,547	3,480	0	3,480
Benefits paid	(48,200)	48,200	0	(45,849)	45,849	0
Unfunded benefits paid	(3,547)	3,547	0	(3,480)	3,480	0
Expected closing position	1,063,319	(1,642,584)	(579,265)	982,703	(1,625,024)	(642,321)
Remeasurements						
Change in demographic assumptions	0	0	0	0	0	0
Change in financial assumptions	0	(95,154)	(95,154)	0	29,294	29,294
Other experience	0	(430)	(430)	0	(92)	(92)
Return on assets excluding amounts included in net interest	61,099	0	61,099	62,283	0	62,283
Total remeasurements recognised in Other Comprehensive Income (OCI)	61,099	(95,584)	(34,485)	62,283	29,202	91,485
Effect of business combination and disposals	0	0	0	0	0	0
Fair value of employer assets	1,124,418	0	1,124,418	1,044,986	0	1,044,986
Present value of funded liabilities	0	(1,682,916)	(1,682,916)	0	(1,539,538)	(1,539,538)
Present value of unfunded liabilities	0	(55,252)	(55,252)	0	(56,284)	(56,284)
Closing position	1,124,418	(1,738,168)	(613,750)	1,044,986	(1,595,822)	(550,836)

* The current service cost includes an allowance for administration expenses of 0.5% of payroll.

NOTES TO THE CASHFLOW STATEMENT**Note 39 Cash Flow Operating Activities**

The cash flows for operating activities include the following items:

	2018/2019	2017/2018
	£000	£000
Interest Received	(960)	(428)
Interest Payable	12,328	12,590

Note 40 Cash Flow Investing Activities

	2018/2019	2017/2018
	£000	£000
Purchase of Property, plant and equipment, investment property and intangible assets	91,305	92,798
Net Investments	38,472	7,014
Proceeds from sale of property, plant and equipment, investment property and intangible assets	(16,071)	(9,941)
Other receipts from investing activities	(88,094)	(90,882)
Net Cash flows from investing activities	25,612	(1,011)

Note 41 Cash Flow Financing Activities

	2018/2019	2017/2018
	£000	£000
Cash Receipts of short and long term borrowing	15,213	12,554
Net cash flows from financing activities	15,213	12,554

NOTES RELATING TO ACCOUNTING DECISION MAKING**Note 42 Accounting Standards that have been issued but have not yet been adopted**

For 2018/2019, there are a number of accounting policy changes that have been issued but not yet adopted. The standards introduced in the 2019/2020 Code of Practice that have not yet been adopted are:

- Amendments to IAS 40 Investment Property: Transfers of Investment Property
- Annual Improvements to IFRS Standards 2014-2016 Cycle
- IFRIC 22 Foreign Currency Transactions and Advance Consideration
- IFRIC 23 Uncertainty over Income Tax Treatments
- Amendments to IFRS 9 Financial Instruments: Prepayment Features with Negative Compensation

The code of practice requires the Council to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant financial year. It is considered that these standards will not have a material impact on the financial statements of Wiltshire Council, so no further disclosure is required in these accounts in this year.

Note 43 Critical Judgements in applying accounting policies

In applying the Accounting Policies set out in the Notes to the Accounts Annex 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The main critical judgement made in the Statement of Accounts is that there remains a degree of uncertainty about future levels of funding for local government for both Revenue and Capital funding. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision. These assumptions are included in the Council's Business Plan.

Note 44 Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March 2019 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Property, Plant and Equipment

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.

If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. The total depreciation charge made in 2018/2019 on PPE assets was £36 million so if the assumptions were to change this could have an effect on the amount of depreciation charged in future years. This would be mitigated by the fact that depreciation is reversed out so has no impact on the level of Council Tax.

Fair measurements value

When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using valuation techniques (e.g. quoted prices for similar assets or liabilities in active markets or the discounted cash flow (DCF) model), however per note 59, the Council does not hold any of this type of asset at present. Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the Council's assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of the authority's assets and liabilities is disclosed in note 52 below.

The Council uses the discounted cash flow (DCF) model to measure the fair value of some of its investment properties and financial assets.

The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, vacancy levels (for investment properties) and discount rates – adjusted for regional factors (for both investment properties and some financial assets).

Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for the investment properties and financial assets.

This list does not include assets and liabilities that are carried at fair value based on a recently observed market price.

Provisions

The Council has made a number of provisions in the accounts, totalling £3.596 million. These are based on current information and current likely settlement value. Provisions will need to be reviewed on a regular basis to ensure they are kept up to date. Further information is found in note 29.

An increase or decrease over the forthcoming year in either the total number of claims, appeals or the estimated average settlement would have the effect of changing the level of provision needed.

Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.

The effects on the net pension liability of changes in individual assumptions can be measured and further details of the assumptions are in note 49.

Arrears

At 31 March 2018, the Council had a balance of short term debtors of £72.9 million. A bad debt provision of £22.4 million or around 31% of the debt has been made. In the current economic climate it is difficult to access the accuracy of this provision, but this will be continually.

An increase or decrease in collection rates would have the effect of changing the level of provision needed. See note 26 for further details.

Note 45 Authorisation of Accounts for Issue

These accounts were considered and authorised by the Chief Financial Officer of Wiltshire Council on 31 May 2019. The final audited version of these accounts will be considered for approval by the Audit Committee at its meeting on 24 July 2019.

Note 46 Events after the Balance Sheet Date

The Statement of Accounts were authorised by the Chief Financial Officer on 31 May 2019. Events taking place after this date are not reflected in the financial statements or notes.

Where events take place or further information is obtained before this date, the figures in the financial statements and notes will be adjusted in all material respects to reflect the impact of this information.

There are no adjusting events after the balance sheet date for 2018/2019.

Note 47 Contingent Liabilities

A contingent liability is a potential liability which depends on the occurrence or non-occurrence of one or more uncertain future events. The Council is required to disclose an estimate in respect of future costs that may occur that are not currently reflected in the accounts. The Council has identified one contingent liability as at 31 March 2019:

Insurance Claims

As at 31 March 2019 there are 20 insurance claims where liability has yet to be established. The estimated value of these claims should the Council be found liable in every instance is £0.570 million

Legal Claim

As at 31 March 2019 there was 1 legal claim pending a tribunal. The estimated value of this claim should the Council be found liable is £0.080 million

Note 48 Pension Schemes Accounted for as defined contribution Schemes**Teachers pension scheme**

In 2018/2019 the Council paid £9.58 million (£9.81 million in 2017/2018) to the Department for Education and Skills in respect of teachers' pension costs which represent 16.48% of teachers' pensionable pay. In addition, the Council is responsible for all pension payments relating to added years it has awarded, together with the related increases. In 2018/2019 these amounted to £2.38 million (£2.37 million in 2017/2018).

Note 49 Defined benefit Pension Schemes**Participation in Pensions Schemes**

As part of the terms and conditions of employment for officers and other employees, the Council offers retirement benefits. Although these will not actually be payable until employees retire, the Council has a commitment to make the payments and this needs to be disclosed at the time that employees earn their future entitlement.

The Council participates in two pension schemes:

- The Local Government Pension Scheme for civilian employees, administered by Wiltshire Council – this is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level estimated to balance the pensions liabilities with investment assets.
- The Teachers' Pension Scheme – this is an unfunded scheme, meaning that there are no investments assets built up to meet the provisions liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due. The liability for this scheme falls upon central government.

Liabilities for the LGPS pension scheme have been assessed by Hymans Robertson, an independent firm of actuaries, on an actuarial basis using the projected unit method based on the full actuarial valuation of the fund carried at 31 March 2019.

Pension costs have been charged to the Comprehensive Income and Expenditure Statement on the basis required by IAS 19, contributions payable to the Wiltshire Council pension scheme are based on a 2019 actuarial valuation report dated 31 March 2019. These IAS 19 amounts are then reversed out by a contribution to/from the Pensions reserve, so that they have no impact on the Council Tax.

Assets and liabilities in relation to Retirement Benefits

The underlying assets and liabilities for the retirement benefits attributable to the Council as at 31 March 2019 are as follows:

Local Government Pension Scheme	31 March 2019	31 March 2018
	£000	£000
Fair Value of Employer Assets	1,124,418	1,044,986
Present Value of Funded Liabilities	(1,682,916)	(1,539,538)
Net (Under)/Overfunding in Funded Plans	(558,498)	(494,552)
Present value of Unfunded Liabilities	(55,252)	(56,284)
Net Asset/(Liability)	(613,750)	(550,836)
Amount on balance sheet		
Asset	1,124,418	1,044,986
Liability	(1,738,168)	(1,595,822)
Liability Amount in Balance Sheet	(613,750)	(550,836)

A more detailed breakdown is included in note 38

Information about the defined benefit obligation

	Liability split £000	Liability split %	Duration years
Active members	675,815	40.2	23.8
Deferred members	429,174	25.5	21.6
Pensioner members	577,927	34.3	10.1
Total	1,682,916	100.0	16.5

The obligation shows the underlying commitments that the Council has in the long run to pay retirement benefits. Statutory arrangements for the funding of the deficit mean that the financial position of the Council remains healthy. The deficit on the scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary.

Pension Assumptions**Financial Assumptions**

The estimates of pensions payable in future years are dependent on certain assumptions. The main assumptions used in the calculations are:

Assumptions as at Year Ended:	31 March 2019 % per annum	31 March 2018 % per annum
Pension Increase Rate	2.5%	2.4%
Salary Increase Rate	2.8%	2.7%
Discount Rate	2.4%	2.6%

Assumptions on Mortality Rates

Life expectancies are based on the Fund's Vita Curves with improvements. Based on this, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	22.5 years	24.9 years
Future Pensioners	24.1 years	26.7 years

Life expectancies for the prior period end are based on the Fund's analysis. The allowance for future life expectancies is shown below:

Year Ended	Prospective Pensioners	Pensioners
31 March 2018	CMI 2013 model assuming the current rate of improvements has peaked and will converge to a long term rate of 1.25% p.a.	CMI 2013 model assuming the current rate of improvements has peaked and will converge to a long term rate of 1.25% p.a.

Pension Assets**Fair value of employer assets**

Assets in the Wiltshire County Council Pension Fund are valued at a fair value, principally market value for investment and consist of the following categories, by proportion:

Asset Category	31 March 2019				31 March 2018				
	Quoted Prices in Active Markets £000	Prices not quoted in Active Markets £000	Total £000	%	Quoted Prices in Active Markets £000	Prices not quoted in Active Markets £000	Total £000	%	
Equity Securities:									
Consumer	23,342	0	23,342	2%	21,693	0	21,693	2%	
Manufacturing	17,380	0	17,380	2%	16,152	0	16,152	2%	
Financial Institutions	3,178	0	3,178	0%	2,954	0	2,954	0%	
Health & Care	5,028	0	5,028	0%	4,673	0	4,673	0%	
Information Technol	115,462	0	115,462	10%	107,305	0	107,305	10%	
Other	9,399	0	9,399	1%	8,735	0	8,735	1%	
Real Estate:									
UK Property	0	117,928	117,928	11%	0	109,598	109,598	11%	
Overseas Property	0	25,691	25,691	2%	0	23,876	23,876	2%	
Investment Funds & Unit Trusts:									
Equities	0	591,598	591,598	53%	0	549,806	549,806	53%	
Bonds	0	184,071	184,071	16%	0	171,067	171,067	16%	
Infrastructure	0	19,855	19,855	2%	0	18,453	18,453	2%	
Other	0	3,132	3,132	0%	0	2,910	2,910	0%	
Cash & Cash Equivalents									
All	8,354	0	8,354	1%	7,764	0	7,764	1%	
Total	182,143	942,275	1,124,418	100%	169,276	875,710	1,044,986	100%	

Projected defined benefit costs for the period to 31 March 2020

The estimated employer contributions for the year to 31 March 2020 will be approximately £31.392 million.

The amounts determined by the actuary to be charged to the revenue account under IAS 19 were as follows:

Period Ended 31 March 2020	Assets	Obligations	Net (Liability)/Asset	
	£000	£000	£000	% of Payroll
Projected Current Service Cost	0	55,381	(55,381)	(45.3%)
Total Service Costs	0	55,381	(55,381)	(45.3%)
Interest Income on Plan Assets	26,878	0	26,878	22.0%
Interest Cost on Defined Benefit Obligation	0	41,851	(41,851)	(34.2%)
Total Net Interest Cost	26,878	41,851	(14,973)	(12.2%)
Total included in Profit or Loss	26,878	97,232	(70,354)	(57.5%)

Sensitivity Analysis

The sensitivity regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in Assumptions as at 31 March 2019	Approximate % increase to Employer	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	10%	173,223
0.5% increase in the Salary Increase Rate	1%	18,965
0.5% increase in the Pension Increase Rate	9%	151,839

Further information can be found in the Wiltshire Pension Fund annual report 2018/2019 which is available on request. Requests for this report, or any other queries arising from the Wiltshire Pension Fund Accounts, should be addressed to the Director, Finance & Procurement, Wiltshire Council, County Hall, Bythesea Road, Trowbridge, BA14 8JN.

Note 50 Nature and Extent of risks arising from Financial Instruments

Risk management is carried out by a central treasury team, under policies approved by the Council in the annual treasury management strategy. The Council provides written principles for overall risk management, as well as written policies (covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash.

The Council's activities expose it to a variety of financial risks. The key risks are:

- **Credit risk** - the possibility that other parties might fail to pay amounts due to the Council;
- **Liquidity risk** - the possibility that the Council might not have funds available to meet its commitments to make payments;
- **Refinancing risk** - the possibility that the Council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms; and
- **Market risk** - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates or stock market movements.

The Council's overall risk management programme focuses on the unpredictability of financial markets, and seeks to minimise potential adverse effects on the resources available to fund services.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.

This risk is minimised through the Annual Investment Strategy, which is available on the Council's website.

The Annual Investment Strategy requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poor's Credit Ratings Services. The Annual Investment Strategy also considers maximum amounts and time limits with a financial institution located in each category.

The credit criteria in respect of financial assets held by the Council are detailed below:

The Council uses the creditworthiness service provided by Link Asset Services. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moody's and Standard and Poor's, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- credit watches and credit outlooks from credit rating agencies
- CDS spreads to give early warning of likely changes in credit ratings

- sovereign ratings to select counterparties from only the most creditworthy countries

The full Investment Strategy for 2018/2019 was approved by Full Council on 20 February 2018 and is available on the Council's website.

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Council.

The Council's maximum exposure to credit risk in relation to its investments in financial institutions of £102.249 million cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Council's deposits, but there was no evidence at 31 March 2019 that this was likely to crystallise.

No credit limits were exceeded during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits.

Amounts Arising from Expected Credit Losses

Impairments arising from expected credit losses have been calculated using an historical default table provided by Link Asset Services.

The 12 month Expected Credit Loss for Individual Financial Assets (Fixed Term Deposits) recognised at amortised cost during 2018/2019 is £6,984.69.

For deposits with Local Authorities no impairment is required since the Code does not recognise a loss allowance where the counterparty for a financial asset is central government or a local authority for which relevant statutory provisions prevent default.

As the calculated impairment of £6,984.69 is considered to be immaterial there no need to recognise this in the Comprehensive Income & Expenditure Statement.

During the year, no financial assets were written off by the Council.

Credit Risk Exposure

The Council has the following exposure to credit risk at 31 March 2019.

	Credit Risk Rating	Gross Carrying Amount £000s
12 month expected credit losses	AAA	54,037
	AA	13
	AA-	24,136
	A+	16,053
	A	8,010
	BBB	0
	Sub BBB	0
Maximum Credit Risk Exposure		102,249
Landsbanki Winding Up Board		28
Total Carrying Amount of all Investments		102,277

The 12 month expected credit losses do not include the carrying amount for Landsbanki Winding Up Board as this investment has already been impaired.

During 2018/2019 the council held no collateral as security.

Liquidity Risk

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the CIPFA Code of Practice. This seeks to ensure that cash is available when needed.

The Council has ready access to borrowings from the money markets to cover any day to day cash flow need, and the PWLB and money markets for access to longer term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

Outstanding investment (£102.249 million) are all due to be repaid in less than one year.

Refinancing and Maturity Risk

The Council maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the Council relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Council approved treasury and investment strategies address the main risks and the central treasury team address the operational risks within the approved parameters. This includes:

- monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day to day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

The maturity analysis of financial liabilities is as follows, with the maximum and minimum limits for fixed interest rates maturing in each period (as approved in the Treasury Management Strategy 2018/2019):

Maturity Analysis of Financial Liabilities

	Approved Minimum Limits	Approved Maximum Limits	Actual 31 March 2019		Actual 31 March 2018	
			£000s	%	£000s	%
Less than 1 Year	0%	25%	10,172	2.9%	16,951	5.1%
Between 1 and 2 Years	0%	25%	4,000	1.2%	8,000	2.4%
Between 2 and 5 Years	0%	45%	28,000	8.1%	22,000	6.7%
Between 5 and 10 Years	0%	75%	50,123	14.5%	50,123	15.2%
More than 10 Years	0%	100%	252,906	73.3%	232,914	70.6%
			345,201	100.0%	329,988	100.0%

Market Risk – Interest Rate Risk

The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing

financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise;
- Borrowings at fixed rates – the fair value of the borrowing will fall (no impact on revenue balances);
- Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise; and
- Investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in the Other Comprehensive Income and Expenditure Statement.

The Council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together Council's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure. The central treasury team will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns, similarly the drawing of longer term fixed rates borrowing would be postponed.

According to this assessment strategy, at 31 March 2019, if all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

Effects of a 1% Increase in Interest Rates

	2018/2019
	£000
Increase in interest payable on variable rate borrowings	0
Increase in interest receivable on variable rate investments	0
Increase in Government grant receivable for financing costs*	0
Impact on Surplus or Deficit on the Provision of Services	0
Share of overall impact debited to the HRA	0
Decrease in fair value of fixed rate investment assets	(312)
Impact on Other Comprehensive Income and Expenditure	0
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	59,872

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed. These assumptions are based on the same methodology as used in Note 51 – Fair Value.

Market Risk - Price Risk

The Council, excluding the pension fund, does not generally invest in equity shares or marketable bonds.

Market Risk - Foreign Exchange Risk

The Council has no material financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

Note 51 Fair Value

All financial liabilities and financial assets represented by loans and receivables are carried on the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- For loans from the PWLB payable, borrowing rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures. An additional note to the tables sets out the alternative fair value measurement applying the premature repayment, highlighting the impact of the alternative valuation;
- For non-PWLB loans payable, prevailing market rates have been applied to provide the fair value;
- For loans receivable prevailing benchmark market rates have been used to provide the fair value;
- No early repayment or impairment is recognised;
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount;
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The following table shows the fair values, based on new borrowing rates:

Financial Liabilities	31 March 2019		31 March 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£000	£000	£000	£000
Long Term Debt:				
Non-PWLB (Market) Debt	(61,981)	(93,298)	(61,993)	(91,725)
PWLB Debt	(283,220)	(345,810)	(267,995)	(323,216)
Total Long Term Debt	(345,201)	(439,108)	(329,988)	(414,941)
Temporary Debt	0	0	0	0
Short Term Debt	0	0	0	0
Total Debt Value	(345,201)	(439,108)	(329,988)	(414,941)
Short Term Creditors	(95,689)	(95,689)	(86,079)	(86,079)
Long Term Creditors	(14,042)	(14,042)	(7,676)	(7,676)
Total Financial Liabilities	(454,932)	(548,839)	(423,743)	(508,696)

The following table shows the fair values, based on the alternative premature repayment borrowing rates:

Financial Liabilities	31 March 2019		31 March 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£000	£000	£000	£000
Long Term Debt:				
Non-PWLB (Market) Debt	(61,981)	(115,586)	(61,993)	(113,966)
PWLB Debt	(283,220)	(394,816)	(267,995)	(363,610)
Total Long Term Loans	(345,201)	(510,402)	(329,988)	(477,576)
Temporary Debt	0	0	0	0
Short Term Debt	0	0	0	0
Total Loans Value	(345,201)	(510,402)	(329,988)	(477,576)
Short Term Creditors	(95,689)	(95,689)	(86,079)	(86,079)
Long Term Creditors	(14,042)	(14,042)	(7,676)	(7,376)
Total Financial Liabilities	(454,932)	(620,133)	(423,743)	(571,031)

The fair value of the liabilities is greater than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans in the market at the balance sheet date. This shows a notional future loss (based on economic conditions at 31 March 2019) arising from a commitment to pay interest to lenders above current market rates.

The Council has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets. A supplementary measure of the additional interest that the Council will pay as a result of its PWLB commitments for fixed rate loans is to compare the terms of these loans with the new borrowing rates available from the PWLB. If a value is calculated on this basis, the carrying amount of £283.220 million would be valued at £345.810 million. But, if the Council were to seek to avoid the projected loss by repaying the loans to the PWLB, the PWLB would raise a penalty charge for early redemption in addition to charging a premium for the additional interest that will not now be paid. The exit price for the PWLB loans including the penalty charge would be £394.816 million.

	31 March 2019		31 March 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets	£000	£000	£000	£000
Loans and Receivables:				
Cash and Cash Equivalents	0	0	0	0
Money markets Loans < 1 Year	14,931	14,931	13,700	13,700
Short Term investment	87,311	87,311	50,106	50,106
Total Loans and Receivables	102,242	102,242	63,806	63,806
Short Term Debtors	50,531	39,421	50,614	40,995
Long Term Debtors	6,403	6,403	5,638	5,638
Total Financial Assets	159,176	148,066	120,058	110,439

The fair value of the assets is equal to the carrying amount - because the Council's portfolio of loans only includes short term loans (less than one year to maturity), even with a fluctuation in shorter term rates, the difference between the carrying amount and the fair value will be immaterial.

Short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

Note 52 Fair Value Measurement of Investment Properties

Fair Value Hierarchy

Details of the Council's investment properties and information about the fair value hierarchy as at 31 March 2019 and 2018 are as follows.

This table will be inserted once information has been received from external valuers.

Valuation Techniques used to Determine Level 2 and 3 Fair Values for Investment Properties

Significant Unobservable Inputs Level 3

The Council's Main Portfolio and Nurseries & Community Leases are measured using the income approach, by means of the discounted cash flow method, where the expected cash flows from the properties are discounted (using a market-derived discount rate) to establish the present value of the net income stream. The approach has been developed using the Council's own data requiring it to factor in assumptions such as the duration and timing of cash inflows and outflows, rent growth, occupancy levels, bad debt levels, maintenance costs, etc.

The whole of the Council's Investment Estate is therefore categorised as Level 3 in the fair value hierarchy as the measurement technique uses significant unobservable inputs to determine the fair value measurements (and there is no reasonably available information that indicates that market participants would use different assumptions).

Highest and Best Use of Investment Properties

In estimating the fair value of the Council's investment properties, the highest and best use of the properties is their current use.

Valuation Techniques

There has been no change in the valuation techniques used during the year for investment properties.

Quantitative Information about Fair Value Measurement of Investment Properties using Significant Unobservable Inputs – Level 3

This table will be inserted once information has been received from external valuers.

Valuation Process for Investment Properties

The fair value of the Council's investment property is measured annually at each reporting date. All valuations are carried out externally, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The Council's Finance Officers work closely with the external valuer's and the Council's internal Strategic Property service reporting directly to the Chief Financial Officer on a regular basis regarding all valuation matters.

Notes to Accounts Annex 1 Accounting Policies

i. General Principles

The Statement of Accounts summarises the Council's transactions for the 2018/2019 financial year and its position at the year-end of 31 March 2019. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2018/2019 supported by International Financial Reporting Standards (IFRS).

ii. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption; they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

iii. Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Landfill Allowance Schemes

Landfill allowances, whether allocated by DEFRA or purchased from another Waste Disposal Council (WDA) are recognised as current assets and are initially measured at fair value.

Landfill allowances allocated by DEFRA are accounted for as a government grant. After initial recognition, allowances are measured at the lower of cost and net realisable value. As landfill is used, a liability and an expense are recognised. The liability is discharged either by surrendering allowances or by payment of a cash penalty to DEFRA (or by a combination).

The liability is measured at the best estimate of the expenditure required to meet the obligation, normally the market price of the number of allowances required to meet the liability at the reporting date. However, where some of the obligation will be met by paying a cash penalty to DEFRA, that part of its liability is measured at the cost of the penalty.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation, the existence of which will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset, the existence of which will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

iv. Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service revenue account in that year and included in the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies.

v. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that

specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement.

Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Community Infrastructure Levy

The Council has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments for the Council) with appropriate planning consent. The council charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund a number of infrastructure projects to support development in the area.

CIL is received without outstanding conditions, it is therefore recognised at the commencement date of the chargeable development in the Comprehensive Income & Expenditure Statement in accordance with the accounting policy for government grants and contributions set out above. CIL charges will be largely used to fund capital expenditure. However, a proportion of the charges may be used to fund revenue expenditure.

vi. Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Council.

An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end, which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement when the Council is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

Post-Employment Benefits

Employees of the Council are eligible to join the following separate pension schemes:

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE)
- The Local Government Pensions Scheme, administered by Wiltshire Council.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The scheme is therefore accounted for as if it were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Children's and Education Services line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme.

The liabilities of the Wiltshire pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate of 4.3% (based on the indicative rate of return on high quality corporate bonds (the Iboxx Sterling Corporates Index, AA over 15 years).

The assets of Wiltshire pension fund attributable to the Council are included in the Balance Sheet at their fair value:

- quoted securities – current bid price
- unquoted securities – professional estimate
- unitised securities – current bid price
- property – market value.

The change in the net pension liability is analysed into the following components:

- current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
- past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs
- interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- expected return on assets – the annual investment return on the fund assets attributable to the Council, based on an average of the expected long-term return – credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement

- gains or losses on settlements and curtailments – the result of actions to relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve
- contributions paid to the Wiltshire pension fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

vii. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty’s Revenue and Customs. VAT receivable is excluded from income.

viii. Overheads and Support Services

The costs of overheads and support services are not recharged to services as part of normal management accounts reporting. Therefore, there are no recharges for overheads and support services within the Comprehensive Income & Expenditure Statement.

ix. Intangible Fixed Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Internally generated assets are capitalised where it is demonstrated that the project is technical, feasible and is intended to be completed (with adequate resources being available) and the authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributed to the asset and is restricted to that incurred during the development phase.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council’s goods and services.

Amortisation, impairment losses and disposal gains and losses can be charged to the Comprehensive Income and Expenditure Statement. However, they are not permitted to have an impact on the General Fund Balance, so the gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement.

x. Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition: Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred. The Council does not have a fixed de-minimis level for the recognition of capital expenditure but recognises expenditure as capital where appropriate.

Measurement: Assets are initially measured at cost, comprising the purchase price and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Assets are carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction – depreciated historical cost
- Dwellings – fair value, determined using the basis of existing use value for social housing (EUV-SH)
- Surplus Assets – the current value measurement base is fair value, estimated at highest as best use from a market participants perspective
- All other assets – fair value, determined as the amount that would be paid for the asset in its existing use value (EUV).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Where decreases in value are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment: Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired.

Where impairment losses are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the remaining useful life of the property as estimated by the valuer
- vehicles, plant, furniture and equipment – Straight line allocation over a useful life of 5 years or in the case of services within buildings remaining useful life of the services as estimated by the valuer
- Infrastructure – straight-line allocation over 60 years.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Any receipts from disposals are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received from a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals (75% for dwellings, 50% for land and other assets) are payable to the Government. The balance of receipts is required to be credited to the Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement).

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing.

xi. Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at the highest and best use. Properties are not depreciated but revalued annually according to market conditions at the year end. Gains and losses on revaluation are posted to the financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal. The same treatment is applied to gains and losses on disposal. Rentals received in relation to investment properties result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance and are therefore reserved out in the Movement in Reserves Statement.

xii. Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible fixed assets attributable to the service.

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund Balance of a Minimum Revenue Provision (MRP).

Housing Revenue Account capital charges are calculated in accordance with the prescribed statutory determination.

xiii. Revenue Expenditure Funded from Capital Under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

xiv. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability; and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment.

The Council as Lessor

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet is written off to the Comprehensive Income and Expenditure Statement as a gain or loss on disposal.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received)
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

xv. Financial Instruments**Financial Liabilities**

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Loans and receivables**Financial Assets**

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- Amortised cost;
- Fair value through profit or loss; and
- Fair value through other comprehensive income

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments, are not solely payment of principal and interest

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the balance Sheets when the council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Income and Expenditure line in the CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance sheet is the outstanding principal receivable (plus accrued interest) and interest is credited to the CIES is the amount receivable for the year in the loan agreement.

Expected Credit Loss Model

The Council recognises expected credit losses on all of its financial assets held at amortised cost either on a 12 month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only life time leases are recognised for trade receivables (debtors) held by the Council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis of 12 month expected losses.

Financial Assets measured at Fair Value through Profit or Loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

- Instruments with quoted market prices - the market prices
- Other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following 3 levels:

- Level 1 inputs– quoted prices (unadjusted) in active markets for identical assets that the Council can access at the measurement date
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly
- Level 3 inputs – unobservable inputs for the asset.

xvi. Inventories and Long-Term Contracts

Inventories are included in the Balance Sheet at the lower of cost or net realisable value. Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

xvii. Interest in companies and other entities

The council has no material interest in any companies or other entities.

xviii. Private Finance Initiative (PFI) and similar contracts

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Council is deemed to control the services that are provided under its PFI schemes, and as ownership of the property, plant and equipment will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment. The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Council.

The amounts payable to the PFI operators each year are analysed into five elements:

- i. Fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement
- ii. Finance cost – an interest charge made on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement

- iii. Contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- iv. Payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease)
- v. Lifecycle replacement costs – proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

xix. Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

xx. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

xxi. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

xxii. Events after the Balance Sheet Date

Events after the Balance Sheet date are those events that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue.

Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts are not adjusted to reflect such events. Where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

xxiii. Non-Compliance with Code of Practice

For operational reasons, the accounts do not fully comply with the Code of Practice on minor points. The main non-compliance is in relation to debtors and creditors. Whilst the accounts are maintained on an accruals basis i.e. all sums due to or from the Council are included whether or not the cash has actually been received or paid in the year, exceptions are made for quarterly utilities payments based on meter reading dates. Since these policies are applied consistently year on year, they have no material effect on any one year's accounts.

xxiv. Foreign Currency

Where the Council has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date of the transaction. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

xxv. Heritage Assets

The Council's Heritage Assets are assets that are kept to increase the knowledge, understanding and appreciation of the Council's history and local area. Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below. The accounting policies in relation to heritage assets that are deemed to include elements of intangible heritage assets are also presented below.

If items are of a material nature a separate external revaluation exercise would be commissioned and the assets carried at market value in the balance sheet, alternatively insurance valuations would be used to establish value. If this was the case these assets would be reviewed for impairment on a regular basis and the figures in the balance sheet updated accordingly. Any disposals would be treated in the same way as other assets. If the values of the assets are of limited or no value, then they will be disclosed in a note to the accounts only and not brought into the balance sheet with a value. This decision is made based on whether the cost of obtaining a valuation exceeds the benefits to the users of the accounts.

For Wiltshire Council, which does not hold museum or art collections, the costs of commissioning external valuations exceeds the benefit to the users of the accounts therefore the assets are disclosed in a note to the accounts only. The assets disclosed in note 34 include a property (the East Grafton Windmill), the White Horse in Westbury, and a small collection of art held across the county.

xxvi. Carbon Reduction Commitment scheme

The Council is required to participate in the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme. Phase 2 of this scheme began from 1 April 2014. The Council is required to purchase and surrender allowances, currently retrospectively, on the basis of emissions i.e. carbon dioxide produced as energy is used. As carbon dioxide is emitted (i.e. as energy is used), a liability and an expense are recognised. The liability will be discharged by surrendering allowances. The liability is measured at the best estimate of the expenditure required to meet the obligation, normally at the current market price of the number of allowances required to meet the liability at the reporting date. The cost to the Council is recognised and reported in the costs of the Council's services and is apportioned to services on the basis of energy consumption.

xxvii. Fair value measurement

The Council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability, or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for the asset or liability.

xxviii. Council Tax and Non-domestic Rates

Billing authorities act as agents. Collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund, (the Collection Fund) for the collection and distribution due in respect of council tax and NDR. Under legislation framework for the Collection fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be more or less than predicted.

Accounting for Council Tax and Non-Domestic Rates (NDR)

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement (CIES) is the Council's share of the accrued income for the year. However, regulations determine the amount of the council tax and NDR that must be in the Council's General Fund. Therefore, the difference between the CIES and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as aa reconciling item in the movement in Reserves Statement.

The balance sheets includes the Council's share of the end of year balances in respect of council tax and NDR relating to arrears impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Housing Revenue Account

This account records the transactions relating to the Council's housing stock. The Local Government and Housing Act 1989 requires its separation to give a clear picture of the cost of providing homes for council tenants. Housing Revenue Account income and expenditure does not affect the amount of Council Tax levied.

	NOTE	2018/2019		2017/2018	
		£000	£000	£000	£000
Income					
Rents (gross):					
- dwellings		(24,371)		(24,334)	
- garages		(374)		(359)	
- other		(611)	(25,356)	(349)	(25,042)
Charges for services and facilities			(901)		(633)
Total Income			<u>(26,257)</u>		<u>(25,675)</u>
Expenditure					
Repairs and Maintenance			5,217		5,219
Supervision and Management:					
- general		2,895		2,554	
- special services		997	3,892	844	3,398
Increased provision for bad debts			334		370
Depreciation & Impairments of Fixed Assets					
- On dwellings	3	12,005		11,348	
- On garages	3	568		148	
- On other Assets	3	44		52	
			12,617		11,548
Total Expenditure			<u>22,060</u>		<u>20,535</u>
Net Cost Of Services per Income & Expenditure Account			<u>(4,197)</u>		<u>(5,140)</u>
HRA Services share of Corporate and Democratic Core			321		321
Net Cost Of HRA Services			<u>(3,876)</u>		<u>(4,819)</u>
(Gain)/Loss on sale of HRA fixed assets			4,759		5,108
Interest Payable			3,672		3,673
Interest:					
- on balances		(110)		(75)	
- on mortgages		(55)	(165)	(60)	(135)
(Surplus)/Deficit for the Year on HRA services			<u>4,390</u>		<u>3,827</u>

Statement of Movement on the HRA Balances

	2018/2019 £000	2017/2018 £000
Balance on HRA at the end of previous year	(17,951)	(23,170)
(Surplus)/ Deficit for year on HRA Income and Expenditure Account	4,390	3,827
Adjustments between accounting basis and funding basis under statute	(6)	1,392
Net (increase)/decrease before transfers to/ from reserves	4,384	5,219
Transfer to/ from reserves	0	0
Net (increase)/decrease in year on HRA	4,384	5,219
Balance on HRA at the end of current year	(13,567)	(17,951)

Note to Statement of Movement on the HRA Balances

	2018/2019 £000	2017/2018 £000
Items included in the HRA Income and Expenditure Account but excluded from the movement on HRA balance for the year		
Gain/(Loss) on sale of HRA fixed assets	(4,759)	(5,108)
Items not included in the HRA Income and Expenditure Account but included from the movement on HRA balance for the year		
Transfer to/from Major Repairs Reserve note 5	0	0
Transfer to/from Pension Reserve note 6	(263)	(263)
Transfer to/from Capital Adjustment Account	(464)	
Transfer to/from accumulated absences	(6)	1
Revenue Contributions to Capital Expenditure	5,486	6,762
Net Additional amount required by statute to be credited to the HRA balance for the year	(6)	1,392

Housing Revenue Account Notes

1 Housing Stock

	31 March 2019	31 March 2018
Houses and Bungalows		
- 1 bedroom	278	278
- 2 bedrooms	1,439	1,417
- 3 bedrooms	1,714	1,727
- 4+ bedrooms	132	135
Flats		
- 1 bedroom	947	915
- 2 bedrooms	734	683
- 3+ bedrooms	65	66
Total dwellings as at 31 March	5,309	5,221

The Council sold 32 houses during 2018/2019 under the right to buy scheme (RTB). The Council received a total before pooling of £3.315 million as capital receipts. The Council has also built an additional 120 houses as part of its the Council House Build Programme in 2018/2019. The overall net increase in council houses since 2017/2018 is therefore 88.

The figures above do not include the PFI housing units recently brought on stream, these are classified as general fund funding, and so are not part of the HRA. Further information on these PFI dwellings is found in the PFI note.

The year end position regarding arrears owed to the HRA was:

	31 March 2019 £000	31 March 2018 £000
Rent arrears	1,698	1,420
less rent payments in advance	(583)	(535)
less bad debt provision	(1,556)	(1,349)
Net arrears position	(441)	(464)

3 Movement of Housing Revenue Account Assets

	Council Dwellings (Structures) £000	Council Dwellings (Services) £000	Council Dwellings (Land) £000	Other Property (Garages) £000	Other Equipment £000	Total £000
Net Book Value 1 April 2018	166,650	32,250	102,381	3,120	44	304,445
Additions in Year	5,485	5,974	3,424	0	0	14,883
Disposals	(1,987)	0	(1,428)	0	0	(3,415)
Revaluations	(5,486)	(1,064)	(3,325)	0	0	(9,875)
Depreciation	(5,553)	(6,450)	0	(570)	(44)	(12,617)
Category Adjustments	8,821	1,862	727	0	0	11,410
Balance at 31 March 2019	167,930	32,572	101,779	2,550	0	304,831

The Balance Sheet value of Council Dwellings (structures, services and land) as at 31 March 2019 was £302.281 million. This represents the valuation at existing use for social housing which is the value of the properties with a secured tenant continuing to live in the property paying social rents rather than market rents.

The Vacant Possession value (open market) of the properties at 31 March 2019 was £863.660 million. This represents the value of the houses if the property were sold without a secured tenant continuing in the property. Therefore it could be rented out at market rent so has a higher value. This figure has been discounted by a factor of 35% to get the Existing use value - social housing.

The difference between the Vacant Possession value and the Balance Sheet value of dwellings within the HRA shows the Economic Cost of providing Council Housing at less than open market rents. The Economic Cost of the properties at 31 March 2019 was £561.379 million.

4 Financing of HRA capital expenditure

	2018/2019 £000
Revenue and Reserves	5,486
Other receipts (MRR)	9,013
	14,499
Council Dwellings (Structures and Services)	8,991
Plant & Equipment	0
Asset under Construction	5,508
	14,499

5 Major Repairs Reserve

	2018/2019 £000	2017/2018 £000
Brought forward at 1 April	(1,599)	(1,182)
Transfer to Capital	9,013	11,131
HRA Depreciation	(12,153)	(11,548)
Transfer to HRA	0	0
Carried forward at 31 March	(4,739)	(1,599)

6 Contribution to Pension Reserve

The HRA bears a share of the pension contribution due to the IAS 19 adjustment in proportion to the payments made during the year. See note 61 to the Core Financial Statements for more information on accounting for retirement benefits.

Collection Fund

The Collection Fund is a statutory fund. It covers Council Tax and Non-Domestic Rate collection and the precepts of Wiltshire Council, the Office of the Police and Crime Commissioner for Wiltshire and Swindon (Police), Wiltshire Fire and Rescue Service (Fire) and Parish Councils.

	NOTE	Non-Domestic Rates 2018/2019	Council Tax 2018/2019	Total 2018/2019 £000	Non-Domestic Rates 2017/2018	Council Tax 2017/2018	Total 2017/2018 £000
Income							
Council Tax	1		(328,735)	(328,735)		(304,709)	(304,709)
Non-Domestic Rates		(153,797)		(153,797)	(147,256)		(147,256)
Transferred from General Fund							
Transitional Relief		2,118		2,118	3,234		3,234
		(151,679)	(328,735)	(480,414)	(144,022)	(304,709)	(448,731)
Disbursement							
Precepts and Demands							
- Wiltshire Council		73,240	258,450		71,993	237,304	
- Police			33,302			30,275	
- Fire		1,495	13,283		1,469	12,551	
- Town/ and Parish Councils			19,804			16,954	
- Central Government		74,735			73,463		
				474,309			444,009
Share of surplus/(deficit) on Collection Fund							
- Wiltshire Council		(1,249)	5,506		3,068	2,530	
- Police			702			332	
- Fire		(25)	291		63	138	
- Central Government		(1,275)			3,130		
				3,950			9,261
Cost of collection allowance							
Provision for Bad Debts	2	621			622		
Write offs		(215)	276		67	41	
Appeals		627	724		988	828	
Other transfers to general fund		164			(159)		
Interest on overpayments		1,623			2,372		
		0			0		
				3,820			4,759
Fund surplus/(deficit) for the year		1,938	(3,603)	(1,665)	(13,054)	3,755	(9,299)
		151,679	328,735	480,414	144,022	304,708	448,730
Fund balance							
Fund balance b/f		8,220	(7,576)	644	(4,834)	(3,821)	(8,655)
(Surplus)/deficit for year		(1,938)	3,603	1,665	13,054	(3,755)	9,299
Fund balance c/f	3	6,282	(3,973)	2,309	8,220	(7,576)	644

Notes to the Collection Fund

1 Council Tax

Council Tax is charged according to the Government's valuation of residential properties as at 1 April 1991. Valuations are stratified into eight bands for charging purposes. Individual charges are calculated by estimating the total amount of income required by the Collection Fund's preceptors and dividing this by the Council Tax base. The tax base is the total number of chargeable properties in all valuation bands converted to an equivalent number of band D dwellings, with an allowance made for discounts and exemptions.

The average amount of Council Tax required from a property in any tax band is the band D charge, average for Wiltshire Council was £1,777.93 for 2018/2019 multiplied by the ratio specified for that band. Ratios specified for the bands A to H are as follows:

Band	Ratio	Estimated No. of Taxable Properties after discounts	2018/2019 Band D Equivalent Dwellings	2017/2018 Band D Equivalent Dwellings
Band A Disabled	5/9	30	17	15
Band A	6/9	15,097	10,064	9,890
		15,127	10,081	9,905
Band B	7/9	29,661	23,069	22,786
Band C	8/9	42,974	38,199	37,722
Band D	9/9	32,770	32,770	32,217
Band E	11/9	25,745	31,466	30,976
Band F	13/9	15,807	22,832	22,556
Band G	15/9	10,078	16,797	16,619
Band H	18/9	1,152	2,305	2,280
			177,519	175,061
Adjustment for MOD contribution in lieu, new properties, & collection rate			5,186	2,744
Council Tax Base			182,705	177,805

2 National Non-Domestic Rates

The total non-domestic rateable value at 31 March 2019 was £387,042,044 (£384,427,006 at 31 March 2018). The national non domestic multiplier for the year was 49.3p (47.9p in 2017/2018) and the small business rates relief multiplier was 48.0p (46.6p in 2017/2018).

3 Collection Fund Balance

The Council has to record transactions for Council Tax and Non-Domestic Rates in the Collection Fund Account. The balance, as usable income, will be paid to the Council and its major preceptors in future years.

	Non-domestic			Non-domestic		
	Rates	Council Tax	Total	Rates	Council Tax	Total
	31/03/2019	31/03/2019	31/03/2019	31/03/2018	31/03/2018	31/03/2018
	£000	£000	£000	£000	£000	£000
Wiltshire Council	3,078	(3,389)	(311)	4,028	(6,418)	(2,390)
Police	0	(410)	(410)	0	(824)	(824)
Fire	63	(174)	(111)	82	(334)	(252)
Central Government	3,141	0	3,141	4,110	0	4,110
	6,282	(3,973)	2,309	8,220	(7,576)	644

Glossary

For the purposes of compiling the Statement of Accounts, the following definitions have been adopted and may be useful to the reader in understanding terminology used in the statement.

Accruals

The recognition of income and expenditure as it falls due, not when cash is received or paid.

Amortisation

The writing down of the value of intangible fixed assets in line with its programmed useful life.

Assets

These can be either:

- **Intangible assets** – assets which are non-physical in form, that is, which cannot be seen. Examples are patents, goodwill, trademarks and copyrights;
- **Property plant and Equipment (PPE) assets** – tangible assets that give benefits to the Council for more than one year;
- **Community assets** – assets without determinate life that the Council intends to hold in perpetuity. They may have restrictions on their disposal. Examples include parks and historic buildings;
- **Infrastructure assets** – inalienable fixed assets such as highways and footways;
- **Non-operational assets** – fixed assets not directly used for service provision. Examples include surplus land and buildings awaiting sale or further development.
- **Heritage assets** – Assets held solely for historical, artistic, scientific, technological, geophysical or environmental qualities.

Balance Sheet

A summary of all the assets, liabilities, funds, reserves etc.

Best Value

The Council duty to provide effective and efficient services based on community need and desire.

Budget

The Council's financial plans for the year. Both capital and revenue budgets are prepared and, amongst other things, used as performance measures.

Capital Expenditure

Substantial expenditure producing benefit to the Council for more than one year.

Capital Receipts

The proceeds of the disposal of assets, non-approved investments and the repayment of grants made by the Council.

Cashflow Statement

A summary of the inflows and outflows of cash with third parties for revenue and capital purposes.

CIPFA

The Chartered Institute of Public Finance and Accountancy. This is the institute of professional local government accountants and produces standards and codes of practice followed in the production of a Council's accounts.

Code of Practice

Issued by CIPFA, this is a code of proper accounting practice with which Local Authorities in England and Wales must comply in preparing their financial statements.

Comprehensive Income and Expenditure Statement (CI&ES)

This account shows expenditure on and income from the Council's day to day activities. Expenditure includes salaries, wages, service and depreciation charges. It gives the cost of the main services provided by the Council.

Creditors

Money owed by the Council to others.

Debtors

Money owed to the Council by others.

Dedicated Schools Grant (DSG)

A central government grant paid to the council for the use for expenditure on schools.

Depreciation

The writing down of the value of tangible fixed assets in line with its programmed useful life.

Employee Costs

Pay and associated costs such as national insurance, pension contributions etc.

Exceptional Items

Items that, although usual to the activities of the Council, by their nature need separate disclosure because of their unusual size or incidence.

Extraordinary Items

Material items needing separate disclosure because they are unusual to the activities of the Council by their nature.

General Fund

The main revenue fund of the Council which shows income from and expenditure on the Council's day to day activities. It excludes the provision of housing which must be charged to a separate Housing Revenue Account.

Government Grants

The amounts of money the Council receives from the Government and inter-government agencies to help fund both general and specific activities.

Government Grants Deferred

Capital grants which are credited to the balance sheet and amortised to revenue over the life of the relevant asset to offset provisions made for depreciation.

Gross Expenditure

Expenditure before deducting any related income.

Housing Revenue Account (HRA)

The account which sets out the expenditure and income on the provision of housing. Other services are charged to the General Fund.

Impairment

A reduction in the value of a fixed asset below its carrying amount on the Balance Sheet.

IFRSs

International Financial Reporting Standards issued by the Accounting Standards Board requiring information to be shown in accounts.

Leases

These may be finance leases that transfer the risks and rewards of ownership of an asset to the Council. Alternatively, they may be operating leases that are more akin to a hire agreement.

Liabilities

Amounts the Council either owes or anticipates owing to others, whether they are due for immediate payment or not.

Long Term Contracts

A contract that, once entered into, will take longer than the current period of account to complete.

Minimum Revenue Provision (MRP)

Statute requires revenue accounts to be charged with a Prudent Minimum Revenue Provision as a notional redemption cost of all external loans.

Major Repairs Allowance (MRA)

Funded by Central Government. It represents the long term average amount of capital spending required to maintain a Council's housing stock in its current condition.

Net Expenditure

Gross expenditure less directly related income.

Non-Domestic Rates (NDR)

Wiltshire Council collects Non-Domestic Rates from local businesses and organisations. The income is then distributed between Wiltshire Council, Central Government and Wiltshire & Swindon Fire Authority in line with the relevant statutory and accounting guidelines.

Precept

The amount of income demanded of the Collection Fund by an authority entitled to that income.

Preceptor

An authority entitled to demand money of the Collection Fund. The preceptors on Wiltshire Council's Collection Fund are the Council itself, the Office of the Police and Crime Commissioner for Wiltshire and Swindon, Wiltshire Fire and Rescue Service and Parish and Town Councils.

Private Financing Initiative (PFI)

A long-term contractual public private partnership under which the private sector takes on the risks associated with the delivery of public services in exchange for payments tied to standards of performance.

Provision for Credit Liabilities (PCL)

Statute requires the Council to set aside provision to repay external loans and other credit transactions. Debt-free authorities do not have to apply the whole of the balance shown within the Capital Financing Reserve.

Provisions

Amounts held in reserve against specific potential liabilities or losses where there is uncertainty as to amounts and/or due dates. Payment to a provision is counted as service expenditure.

Rateable Value

Assessment by the Inland Revenue of a property's value from which rates payable are calculated.

Reserves

Amounts prudently held to cover potential liabilities. Payments to reserves are not counted as service expenditure.

Revaluation Reserve

A capital reserve where changes in the value of fixed assets are disclosed when they are revalued. This reserve replaces the Fixed Asset Restatement Account (FARA) which was previously required.

Revenue Expenditure

Day to day running costs of services.

Revenue Income

Day to day income received for services.

Revenue Support Grant

A Government grant paid towards the cost of General Fund services.

Running Expenses

The cost of running a service less employee expenses and capital charges.

Usable Capital Receipts Reserve

This reserve holds the amounts of capital receipts derived from the disposal of fixed assets until such a time that they are used to finance capital expenditure.

Useful Life

The anticipated period that an asset will continue to be of benefit.

Value Added Tax (VAT)

An indirect tax levied on vatiable goods and services.

Wiltshire Council

Cabinet

11 June 2019

Subject: Treasury Management Outturn Report 2018/2019

Cabinet member: Councillor Philip Whitehead – Finance, Procurement, ICT and Operational Assets

Key Decision: Non Key

Executive Summary

The Council has adopted a Treasury Management Strategy and an Annual Investment Strategy for 2018/2019 at its meeting on 6 February 2018.

The Treasury Management Strategy requires an Annual Outturn Report reviewing the Treasury Management activities for the year. This report covers the period from 1 April 2018 to 31 March 2019.

The Council has continued to finance capital expenditure through maximising the use of capital receipts, capital grants and internal borrowing. In order to take advantage of borrowing rates that are considered to be good value and to reduce the refinancing risk associated with existing external borrowing the Council has taken out £30.000 million of external borrowing (from the PWLB) in order to improve the ability to manage the level at which it is internally borrowed.

Overall, the Council is under borrowed by £136.104 million. This has avoided the Council having to pay out external interest costs in the order of £3.226 million. This under borrowed position is factored into the revenue budget. Against budget, there is a net underspend in respect of the net position on interest receivable/payable of £0.758 million. This has been accounted for in the overall revenue outturn position for 2018/2019.

The Council did not breach any of its performance indicators during 2018/2019.

Proposals

Cabinet is requested to:

- a) Note that the contents of this report are in line with the Treasury Management Strategy 2018/2019.

Reasons for Proposals

To give members an opportunity to consider the performance of the Council against the parameters set out in the approved Treasury Management Strategy for 2018/2019.

Alistair Cunningham
Corporate Director - Growth, Investment and Place

Subject: Treasury Management Outturn Report 2018/2019

Cabinet member: Councillor Philip Whitehead - Finance, Procurement, ICT and Operational Assets

Key Decision: Non Key

PURPOSE OF REPORT

1. The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2018/2019. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).
2. During 2018/2019 the minimum reporting requirements were that the Council should receive the following reports,
 - an annual treasury strategy in advance of the year (06/02/2018)
 - a mid-year treasury update report (15/01/2019)
 - an annual review following the end of the year describing the activity compared to the strategy (this report)
3. The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.
4. This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports before they were reported to full Council.
5. This report summarises the following,
 - Capital activity during the year;
 - Impact of this activity on the Council's underlying indebtedness, (the Capital Financing Requirement);
 - The actual prudential and treasury indicators;
 - Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on the investment balances;
 - Summary of interest rate movements in the year;
 - Detailed debt activity;
 - Detailed investment activity.

Overall Treasury Position

6. During 2018/2019, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows,

Prudential and Treasury Indicators	2017/2018 Actual £ million	2018/2019 Original £ million	2018/2019 Actual £ million
Capital Expenditure			
General Fund	89.243	115.266	91.308
HRA	19.846	16.554	14.980
Total	109.089	131.820	106.288
Capital Financing Requirement			
General Fund	414.654	431.107	407.429
HRA	124.674	119.864	119.864
Total	539.328	550.971	527.293
Gross Borrowing	327.933	313.123	343.123
External Debt	328.133	313.323	343.323
PFI Liability	50.920	48.420	48.066
Over/(under) borrowing	(160.475)	(189.428)	(136.104)
Investments			
Longer than 1 year	0.000	0.000	0.000
Under 1 year	63.693	48.883	101.913
Total	63.693	48.883	101.913
Net Borrowing	264.240	264.240	241.210

7. Other prudential and treasury indicators are to be found in the main body of the report.
8. The Interim Director of Finance and Procurement confirms that borrowing was inly undertaken for a capital purpose and the statutory borrowing limit, (the authorised limit) was not breached.
9. The financial year 2018/2019 continued the challenging investment environment of previous years, namely low investment returns.

The Council's Capital Expenditure and Financing

10. The Council undertakes capital expenditure on long term assets. These activities may either be,
- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions) which has no resultant impact on the Council's borrowing need; or,
 - If insufficient funding is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

11. The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

General Fund	2017/2018 Actual £ million	2018/2019 Original Budget £ million	2018/2019 Actual £ million
Capital expenditure	89.243	115.266	91.308
Financed in year	76.018	94.729	89.281
Unfinanced Capital Expenditure	13.225	20.537	2.027

HRA	2017/2018 Actual £ million	2018/2019 Original Budget £ million	2018/2019 Actual £ million
Capital expenditure	19.846	16.554	14.980
Financed in year	19.846	16.554	14.980
Unfinanced Capital Expenditure	0.000	0.000	0.000

The Council's Overall Borrowing Need

12. The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2018/2019 unfinanced capital expenditure (see above table) and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.
13. Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital programme, the treasury team organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government through the Public Works Loans Board, or the money markets), or utilising temporary cash resources within the Council.

The Capital Financing Requirement (CFR)

14. The Council's (non HRA) underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision (MRP), to reduce the CFR. This is effectively a repayment of the non-Housing Revenue Account (HRA) borrowing need. There is no statutory requirement to reduce the HRA CFR. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.
15. The total CFR can also be reduced by,
- The application of additional capital financing resources, such as unapplied capital receipts; or,
 - Charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP)

16. The Council's 2018/2019 MRP Policy (as required by the MHCLG Guidance) was approved as part of the Treasury Management Strategy Statement on 6 February 2018.
17. The Councils CFR for the year is shown below and represents a key prudential indicator. It includes PFI and leasing schemes on the balance sheet, which increases the Council's borrowing need. No borrowing is actually required against these schemes as a borrowing facility is included in the contract.

	2018/2019 Estimate £ million	2018/2019 Actual £ million
CFR – General Fund	431.107	407.429
CFR – HRA	119.864	119.864
Total CFR	550.971	527.293
Movement in CFR (from 2017/2018)	11.643	(12.035)
Represented by		
Net Financing Need (General Fund)	29.780	2.027
Net Financing Need (HRA)	0.00	0.000
Total Net Financing Need	29.780	2.027
Less MRP/VRP	(10.989)	(10.989)
Less Other Long Term Liabilities (PFI)	(2.776)	(2.853)
Less Other Financing Movements	(4.372)	(0.220)
Movement in CFR	11.643	(12.035)

18. Borrowing activity is constrained by prudential indicators for gross borrowing and the CFR and by the authorised limit.

Gross Borrowing and the CFR

19. In order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the CFR in the preceding year (2017/2018) plus the estimates of any additional capital financing requirement for the current (2018/2019) and the next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure.
20. This indicator would allow the Council some flexibility to borrow in advance of its immediate capital needs in 2018/2019.
21. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

	2017/2018 Actual £ million	2018/2019 Budget £ million	2018/2019 Actual £ million
Gross borrowing position	327.933	313.123	343.123
CFR	539.328	550.971	527.293
(Under)/over funding of CFR	(211.395)	(237.848)	(184.170)

22. The movement in the Council's under borrowing position is summarised in the following table:

Borrowing Position 2018/2019	£ million
Capital expenditure in year funded by borrowing	2.027
Contribution from revenue account (MRP)	(10.989)
Contribution from revenue account (MRP) - PFI	(2.853)
Loans repaid during the year	14.810
Adjustment relating to 2017/2018	(0.220)
New loans undertaken in the year	(30.000)
Sub-total: Change in borrowing position in year	(27.225)
Under borrowed position including PFI Liability 01/04/2018	211.395
Under borrowed position including PFI liability 31/03/2019	184.170
Under borrowed position including PFI Liability 01/04/2018	211.395
PFI Liability 2017/2018	(50.920)
Under borrowed position net of PFI 01/04/2018	160.475
Under borrowed position including PFI liability 31/03/2019	184.170
PFI Liability 2018/2019	(48.066)
Under borrowed position net of PFI 31/03/2019	136.104

23. To illustrate the benefit of having an under borrowed position: if the Council was to externally borrow £136.104 million (over 25 years at current PWLB rate of 2.37%), this would result in external annual interest costs in the order of £3.226 million. The interest foregone on the use of internal funds would be £1.034 million (based on current average interest rate of 0.76% as at 31/03/2019). This produces a benefit of £2.192 million

Authorised Limit

24. The authorised limit is the affordable borrowing limit required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2018/2019 the Council has maintained gross borrowing within its authorised limit.

Operational Boundary

25. The operational boundary is the expected borrowing position of the Council during the year. Periods when the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

Actual Financing Costs as a Proportion of Net Revenue Stream

26. This indicator identifies the trend in the cost of capital, (borrowing and other long-term obligations costs net of investment income), against the net revenue stream.

	2018/2019 £ million
Authorised Limit	570.600
Maximum Gross Borrowing Position during the year	357.933
Operational Boundary	559.693
Average Gross Borrowing Position	329.099
Financing Costs as a Proportion of Net Revenue Stream – GF	5.77%
Financing Costs as a Proportion of Net Revenue Stream - HRA	14.40%

Treasury Position as at 31 March 2019

27. The Council's treasury management debt and investment position is organised by the treasury management team (within the Accountancy Team), in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices.
28. At the end of 2018/2019 the Council's treasury position is as follows,

Debt Portfolio	31 March 2018			31 March 2019		
	Principal £ million	Rate/ Return %	Average Life Years	Principal £ million	Rate/ Return %	Average Life Years
Fixed Rate Funding						
PWLB	266.933	3.63	16.32	282.123	3.62	19.28
Market	61.000	4.37	51.67	61.000	4.37	50.67
Variable Rate Funding						
PWLB	0.000	0.00	0.00	0.000	0.00	0.00
Market	0.000	0.00	0.00	0.000	0.00	0.00
Total Debt	327.933	3.77	30.52	343.123	3.76	
CFR	539.328			527.293		
PFI Liability	50.920			48.066		
Over/(Under) Borrowing	(160.475)			(136.104)		
Total Investments	63.693	0.54	0.39	101.913	0.97	0.53
Net Debt	264.240			241.210		

29. The maturity structure of the debt portfolio (in terms of percentages and absolute values) was as follows,

	31 March 2018 Actual £ million	2018/2019 Original Limits £ million	31 March 2019 Actual £ million
Under 12 months	44.810	78.281	42.000
12 months and within 2 years	12.000	78.281	10.000
2 years and within years	28.000	140.905	28.000
5 years and within 10 years	50.123	234.842	50.123
10 years and above	193.000	313.123	213.000
	327.933		343.123

	2018/2019 Authorised Limits %		31 March 2019 Actual %	
	Upper Limit	Lower Limit	Next Call Date	Contractual Maturity
Under 12 months	25.00	0.00	12.24	2.33
12 months and within 2 years	25.00	0.00	2.91	1.17
2 years and within 5 years	45.00	0.00	8.16	8.16
5 years and within 10 years	75.00	0.00	14.61	14.61
10 years and above	100.00	0.00	62.08	73.73

30. The structure of the investment portfolio was as follows,

Investment Portfolio	Actual 31 March 2018 £ million	Actual 31 March 2018 %	Actual 31 March 2019 £ million	Actual 31 March 2019 %
Treasury Investments				
Banks	29.000	45.53	48.000	47.10
Building Societies – Rated	8.000	12.56	0.000	0.00
Local Authorities	13.000	20.41	39.000	38.27
MMFs	13.693	21.50	14.902	14.62
Call Account	0.000	0.00	0.011	0.01
Total Treasury Investments	63.693	100.0	101.913	100.0

Non-Treasury Investments				
Third Party Loans	0.000	0.00	0.000	0.00
Subsidiaries	0.000	0.00	0.000	0.00
Companies	0.000	0.00	0.000	0.00
Total Non-Treasury Investments	0.000	0.00	0.000	0.00

Treasury Investments	63.693	100.00	101.913	100.00
Non-Treasury Investments	0.000	0.00	0.000	0.00
Total - All Investments	63.693	100.00	101.913	100.00

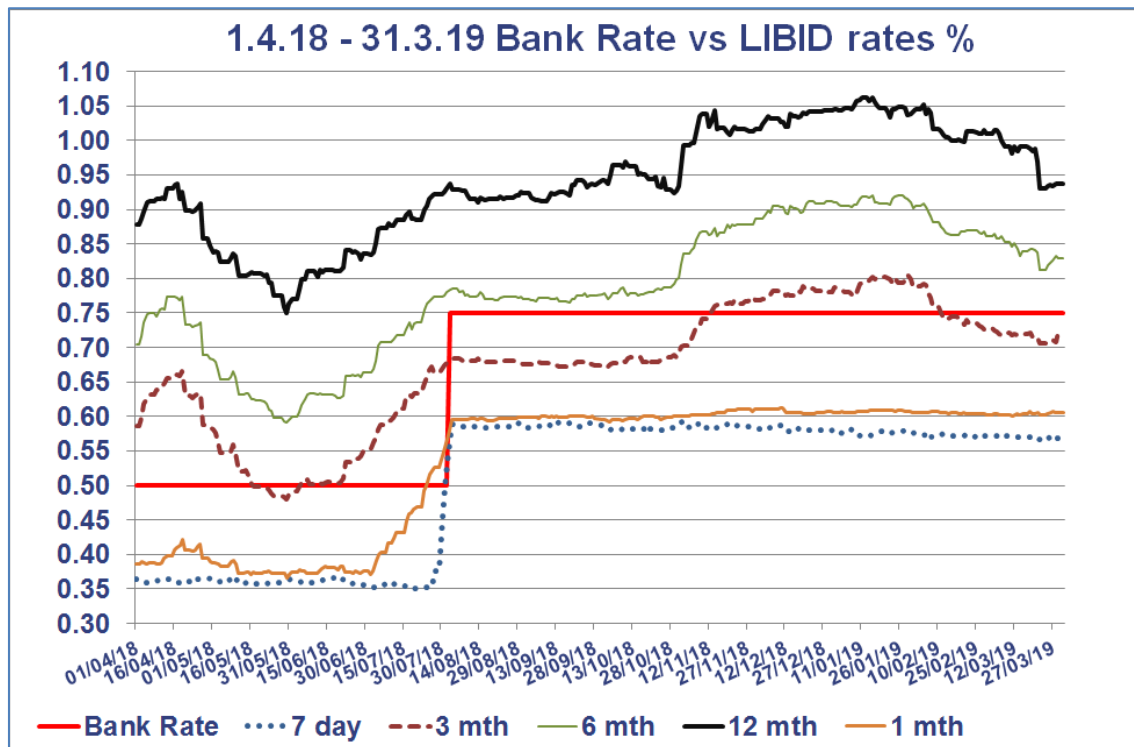
31. All treasury investments were for up to one year.

Treasury Management Strategy 2018/2019

Investment Strategy and Control of Interest Rate Risk

32. Investment returns remained low during 2018/2019. The expectation for interest rates within the treasury management strategy for 2018/2019 was that Bank Rate would rise from 0.50% to 0.75%.

	Bank Rate	7 Day	1 Month	3 Month	6 Month	12 Month
01/04/2018	0.50%	0.36%	0.39%	0.59%	0.70%	0.88%
31/03/2019	0.75%	0.57%	0.61%	0.72%	0.83%	0.94%
High	0.75%	0.59%	0.61%	0.81%	0.92%	1.06%
High Date	02/08/18	01/11/18	10/12/18	29/01/19	15/01/19	11/01/19
Low	0.50%	0.35%	0.37%	0.48%	0.59%	0.75%
Low Date	01/04/18	19/07/18	30/05/18	30/05/18	30/05/18	30/05/18
Average	0.67%	0.51%	0.54%	0.68%	0.79%	0.94%
Spread	0.25%	0.24%	0.25%	0.33%	0.33%	0.31%



33. At the start of 2018/2019, and after UK GDP growth had proved disappointingly weak in the first few months of 2018, the expectation for the timing of this increase was pushed back from May to August 2018. Investment interest rates were therefore on a gently rising trend in the first half of the year after April, in anticipation that the Bank of England Monetary Policy Committee (MPC) would raise Bank Rate in August. This duly happened at the MPC meeting on 2 August 2018. During this period, investments were kept shorter term in anticipation that rates would be higher later in the year.
34. It was not expected that MPC would raise Bank Rate again during 2018/2019 after August in view of the fact that the UK was entering into a time of major uncertainty with Brexit due in March 2019. Value was therefore sought by placing longer term investments after 2 August where cash balances were sufficient to allow this.
35. Investment rates were little changed during August to October but rose sharply after the MPC meeting of 1 November was unexpectedly hawkish about their perception of building inflationary pressures, particularly from rising wages. However, weak GDP growth data after December, plus increasing concerns generated by Brexit, resulted in investment rates falling back again.
36. Continued uncertainty in the aftermath of the 2008 financial crisis had promoted a cautious approach whereby investments would continue to be dominated by low counterparty risk consideration, resulting in relatively low returns compared to borrowing rates.

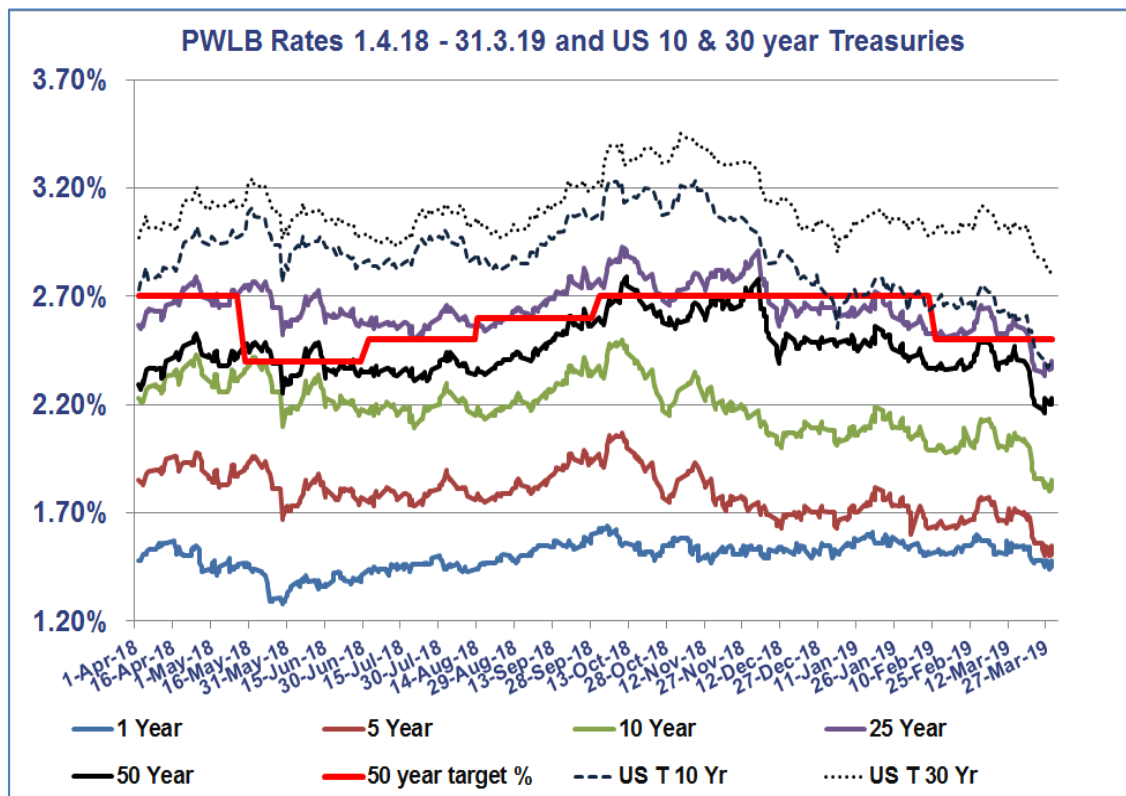
Borrowing Strategy and Control of Interest Rate Risk

37. During 2018/2019, the Council maintained an under-borrowed position. This meant that the capital borrowing need (the CFR) was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. The strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered.

38. The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when the Council may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.
39. Against this background and the risks within the economic forecast, caution was adopted within the treasury operations. The treasury team monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks.
- if it had been felt that there was a significant risk of a sharp fall in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.
 - if it had been felt that there was a significant risk of a much sharper rise in long and short term rates than initially expected, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.
40. Interest rate forecasts expected only gradual rises in medium and longer term fixed borrowing rates during 2018/2019 and the two subsequent financial years.

PWLB Rates	1 Year	5 Year	10 Year	25 Year	50 Year
02/04/2018	1.48%	1.85%	2.23%	2.57%	2.29%
29/03/2019	1.48%	1.55%	1.85%	2.40%	2.23%
Low	1.28%	1.50%	1.80%	2.33%	2.16%
Low Date	29/05/18	26/03/19	28/03/19	26/03/19	26/03/19
High	1.64%	2.07%	2.50%	2.93%	2.79%
High Date	04/10/18	10/10/18	10/10/18	10/10/18	12/10/18
Average	1.50%	1.80%	2.20%	2.66%	2.47%

41. The graph for PWLB rates shows a selection of maturity periods, the average borrowing rates, the high and low points in rates, spreads and individual rates at the start and the end of the financial year.



42. Since PWLB rates peaked during October 2018, most PWLB rates have been on a downward trend, though longer term rates did spike upwards again during December and (apart from the 1 year rate), reached lows for the year at the end of March.

Borrowing Outturn

43. A summary of the Council’s borrowing position is detailed at Appendix 1.
44. Three new loans were drawn during 2018/2019 to fund the net unfinanced capital expenditure and naturally maturing debt. The loans drawn were as follows,

Pool	Lender	Principal £ million	Type	Interest Rate %	Maturity
General Fund	PWLB	10.000	Fixed Rate Maturity	2.36	44 years
General Fund	PWLB	10.000	Fixed Rate Maturity	2.36	45 years
General Fund	PWLB	10.000	Fixed Rate Maturity	2.36	46 years

45. PWLB rates are constantly monitored by Link Asset Services, the results of which are regularly reported to the Council. In addition, they advise trigger point rates for different loan periods, which indicate where PWLB rates are good value, as compared to general market conditions. All three Wiltshire Council loans were taken when the trigger point rate was 2.50%, meaning that there was a perceived gain of 0.14% over general market conditions.

46. Two naturally maturing loans were repaid during 2018/2019 as follows,

Pool	Lender	Principal £ million	Type	Interest Rate %	Maturity
General Fund	PWLB	10.000	Fixed Rate Maturity	1.38	3 years
HRA	PWLB	4.810	Fixed Rate Maturity	1.76	7 years

Borrowing in Advance of Need

47. The Council has not borrowed more than, or in advance of its needs, purely to profit from the investment of the extra sums borrowed.

Debt Rescheduling

48. No debt rescheduling was undertaken during the year, as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

Investment Outturn

49. The Council's investment policy is governed by MHCLG investment guidance, which has been implemented in the annual investment strategy approved by the Council on 6 February 2018. This policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data.

50. The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

51. The Council's cash balances comprise revenue and capital resources and cash flow monies. The Council's core cash resources comprised as follows,

Balance Sheet Resources	31 March 2018 £ million	31 March 2019 £ million
General Fund Balances	12.943	15.100
Housing Revenue Account Balances (inc MRR)	19.550	18.306
Collection Fund Adjustment Account	2.391	0.311
Earmarked Reserves	40.488	37.243
Capital Receipts Reserve	12.997	16.783
Provisions	4.017	3.596
Capital Grants Unapplied	53.997	63.746
Total	146.383	155.085

52. The Council maintained an average balance of £127.625 million of internally managed funds. The difference between the balances available for investment and the actual investments is due to the varying level of working capital (creditors, debtors and other long term liabilities) and internal borrowing.

53. The internally managed funds earned an average rate of 0.76%. The comparable performance indicator is the average 3 month LIBID rate, which was 0.67%.

54. The Council's total interest received from investments for 2018/2019 was £0.881 million. The Council's budgeted investment return for 2018/2019 was £0.440 million, therefore forecast investment income (interest) for the year to date is £0.441 million overachieved against budget. The interest received was higher than originally estimated due to a combination of an increase to the Bank of England base rate in August 2018 as well as over performance by the Council's treasury management team in actively managing the council's investments.
55. The position on interest income must be compared with external interest costs payable. The Council paid external interest costs of £12.482 million against a budget of £12.799 million. This is £0.317 million underspent against budget. The net underspend in respect of the net position on interest receivable/payable is £0.758 million. This has been accounted for in the overall revenue outturn position for 2018/2019.
56. A summary of the Council's investment position as at 31 March 2019 is detailed at Appendix 2.

Economic Background and Interest Rate Forecast

57. 2018, the MPC gave forward guidance that they are likely to increase Bank Rate at a slightly faster rate than had previously been expected. Bank rate is likely to rise only twice more in the next three years to reach 1.00% by 2020.
58. After weak economic growth of only 0.2% in quarter one of 2018, growth picked up to 0.4% in quarter 2 and to a particularly strong 0.7% in quarter 3, before cooling off to 0.2% in the final quarter. Given all the uncertainties over Brexit, this weak growth in the final quarter was as to be expected. However, some recovery in the rate of growth is expected going forward. The annual growth in quarter 4 came in at 1.4% y/y, confirming that the UK was the third fastest growing country in the G7.
59. After the MPC raised Bank Rate from 0.5% to 0.75% in August 2018, it is little surprise that they have abstained from any further increases since then. We are unlikely to see any further action from the MPC until the uncertainties over Brexit clear.
60. The MPC has been having increasing concerns over the trend in wage inflation which peaked at a new post financial crisis high of 3.5%, (excluding bonuses), in the three months to December 2018 before falling only marginally to 3.4% in the three months to January 2019. British employers ramped up their hiring at the fastest pace in more than three years in the three months to January as the country's labour market defied the broader weakness in the overall economy as initial Brexit date approached. The number of people in work surged by 222,000, helping to push down the unemployment rate to 3.9%, its lowest rate since 1975. Correspondingly, the total level of vacancies has risen to new highs.
61. CPI inflation has been on a falling trend since peaking at 3.1% in November 2017, reaching a new low of 1.8% in January 2019 before rising marginally to 1.9% in February 2019. However, in the February Bank of England Inflation Report, the latest forecast for inflation over both the two and three year time horizons remained marginally above the MPC's target of 2%.

62. The rise in wage inflation and fall in CPI inflation is good news for consumers as their spending power is improving in this scenario as the difference between the two figures is now around 1.5%, i.e. a real term increase. Given the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months.
63. The long delay in Brexit and subsequent negotiations increases the chances of a general election in 2019, which could result in a potential loosening of monetary policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up.

Other Issues – IFRS 9

64. Risk management will need to take account of the 2018/2019 Accounting Code of Practice proposals for the valuation of investments. This will not be a significant issue for the Council, however key considerations are as follows,
- Expected credit loss model. Whilst this should not be material for vanilla treasury investments such as bank deposits, this is likely to be problematic for some funds e.g. property funds, (and also for non-treasury management investments dealt with in the capital strategy e.g. longer dated service investments, loans to third parties or loans to subsidiaries).
 - The valuation of investments previously valued under the available for sale category e.g. equity related to the “commercialism” agenda, property funds, equity funds and similar, will be changed to Fair Value through the Profit and Loss (FVPL).
65. Following the consultation undertaken by the MHCLG on IFRS9, the Government has introduced a mandatory statutory override for local authorities to reverse out all unrealised fair value movements resulting from pooled investment funds. This will be effective from 1 April 2018. The statutory override applies for five years from this date. Local authorities are required to disclose the net impact of the unrealised fair value movements in a separate unusable reserve throughout the duration of the override in order for the Government to keep the override under review and to maintain a form of transparency.

Overview & Scrutiny Engagement

66. Regular reports are taken to Overview & Scrutiny relating to the Council’s financial position

Safeguarding Implications

67. None have been identified as arising directly from this report.

Public Health Implications

68. None have been identified as arising directly from this report.

Procurement Implications

69. None have been identified as arising directly from this report.

Equalities Impact of the Proposal

70. None have been identified as arising directly from this report.

Environmental and Climate Change Considerations

71. None have been identified as arising directly from this report.

Risks Assessment

72. All investments have been at fixed rates during the period. The Council's current average interest rate on long term debt is 3.76%, which compares favourably with similar rates of other UK local authorities.

73. The primary management risks to which the Council is exposed are adverse movements in interest rates and the credit risk of counterparties.

74. Investment counterparty risk is controlled by assessing and monitoring the credit risk of borrowers as authorised by the Annual Investment Strategy.

Financial Implications

75. These have been examined and are implicit throughout the report.

Legal Implications

76. None have been identified as arising directly from this report.

Proposals

77. Cabinet is requested to:

- a) Note that the contents of this report are in line with the Treasury Management Strategy 2018/2019.

Contact Name:

Becky Hellard - Interim Director - Finance and Procurement

Report Author: Stuart Donnelly, Head of Finance (Corporate)
stuart.donnelly@wiltshire.gov.uk, Tel: 01225 718582

30 April 2019

Appendices

Appendix 1 Borrowing Portfolio
Appendix 2 Investment Portfolio

Borrowing Portfolio as at 31 March 2019

Lender	Start Date	Maturity Date	Amount £ million	Interest Rate %	Annual Interest £ million
Public Works Loan Board (PWLB)					
PWLB	28/03/2012	28/03/2020	8.000	1.99	0.159
PWLB	28/03/2012	28/03/2021	4.000	2.21	0.088
PWLB	15/02/2010	01/06/2021	2.000	4.33	0.087
PWLB	28/03/2012	28/03/2022	8.000	2.4	0.192
PWLB	28/03/2012	28/03/2023	8.000	2.56	0.205
PWLB	15/02/2010	01/06/2023	2.000	4.45	0.890
PWLB	28/03/2012	28/03/2024	8.000	2.7	0.216
PWLB	15/02/2010	01/06/2024	2.000	4.49	0.090
PWLB	28/03/2012	28/03/2025	8.000	2.82	0.226
PWLB	14/08/2001	01/12/2025	0.123	4.875	0.006
PWLB	28/03/2012	28/03/2026	10.000	2.92	0.292
PWLB	15/02/2010	01/06/2026	2.000	4.54	0.091
PWLB	28/03/2012	28/03/2027	8.000	3.01	0.241
PWLB	21/08/2002	01/06/2027	4.000	4.75	0.190
PWLB	28/03/2012	28/03/2028	6.000	3.08	0.185
PWLB	29/07/1999	01/06/2028	1.000	4.75	0.048
PWLB	15/02/2010	01/06/2028	2.000	4.56	0.091
PWLB	28/03/2012	28/03/2029	7.000	3.15	0.221
PWLB	29/07/1999	01/06/2029	1.000	4.75	0.048
PWLB	28/03/2012	28/03/2030	8.000	3.21	0.257
PWLB	29/07/1999	01/06/2030	1.000	4.75	0.046
PWLB	20/05/2005	01/06/2030	2.000	4.45	0.089
PWLB	05/12/2005	18/03/2031	5.000	4.25	0.213
PWLB	28/03/2012	28/03/2031	2.000	3.26	0.065
PWLB	29/07/1999	01/06/2031	1.000	4.75	0.048
PWLB	20/05/2005	01/06/2031	2.000	4.45	0.089
PWLB	21/11/2005	18/09/2031	2.000	4.25	0.085
PWLB	28/03/2012	28/03/2032	5.000	3.3	0.165
PWLB	20/05/2005	01/06/2032	2.000	4.45	0.089
PWLB	04/11/1999	01/12/2032	1.500	4.625	0.069
PWLB	28/03/2012	28/03/2033	6.000	3.34	0.200
PWLB	20/05/2005	01/06/2033	2.000	4.45	0.089
PWLB	15/11/1999	19/09/2033	1.000	4.25	0.042
PWLB	28/03/2012	28/03/2034	7.000	3.37	0.236
PWLB	20/05/2005	01/06/2034	2.000	4.45	0.089
PWLB	15/11/1999	18/09/2034	1.000	4.25	0.043
PWLB	21/11/2005	18/09/2034	5.000	4.25	0.213
PWLB	28/03/2012	28/03/2035	2.000	3.4	0.068
PWLB	14/06/2005	14/06/2035	5.000	4.35	0.218
PWLB	15/11/1999	18/09/2035	1.000	4.25	0.043

Lender	Start Date	Maturity Date	Amount £ million	Interest Rate %	Annual Interest £ million
Public Works Loan Board (PWLB) – Continued					
PWLB	21/11/2005	18/09/2035	5.000	4.25	0.213
PWLB	15/11/1999	18/09/2036	0.500	4.25	0.021
PWLB	15/11/1999	18/09/2036	0.500	4.25	0.021
PWLB	28/03/2012	28/03/2037	9.000	3.44	0.310
PWLB	11/01/2006	01/12/2037	4.000	4	0.160
PWLB	11/01/2006	01/12/2038	4.000	4	0.160
PWLB	15/02/2010	01/06/2041	2.000	4.57	0.091
PWLB	11/08/2006	01/12/2041	3.000	4.35	0.131
PWLB	15/02/2010	01/06/2042	2.000	4.57	0.091
PWLB	11/08/2006	01/12/2042	2.000	4.35	0.087
PWLB	11/08/2006	01/12/2043	2.000	4.35	0.087
PWLB	06/09/2006	01/12/2044	3.000	4.25	0.128
PWLB	06/09/2006	01/12/2045	3.000	4.25	0.128
PWLB	29/06/2006	18/09/2046	4.000	4.45	0.178
PWLB	30/08/2006	01/12/2046	2.000	4.25	0.085
PWLB	29/06/2006	18/09/2047	4.000	4.45	0.178
PWLB	30/08/2006	01/12/2047	2.000	4.25	0.085
PWLB	09/10/1998	18/09/2048	1.000	4.5	0.045
PWLB	29/06/2006	18/09/2048	3.500	4.45	0.156
PWLB	30/08/2006	01/12/2048	2.000	4.25	0.085
PWLB	09/10/1998	18/09/2049	1.000	4.5	0.045
PWLB	29/06/2006	18/09/2049	3.000	4.45	0.134
PWLB	30/08/2006	01/12/2049	2.000	4.25	0.085
PWLB	30/08/2006	01/06/2050	5.000	4.25	0.213
PWLB	17/09/1998	18/09/2050	1.000	5.125	0.051
PWLB	17/09/1998	18/09/2051	1.000	5.125	0.051
PWLB	07/03/2007	01/06/2052	2.000	4.25	0.085
PWLB	23/07/1998	03/06/2052	1.000	5.5	0.055
PWLB	07/03/2007	01/06/2053	2.000	4.25	0.085
PWLB	23/07/1998	02/06/2053	1.000	5.5	0.055
PWLB	19/06/1998	01/06/2054	1.000	5.375	0.054
PWLB	19/06/1998	01/06/2055	1.000	5.375	0.054
PWLB	21/06/2006	01/06/2055	2.000	4.3	0.086
PWLB	22/06/2006	18/09/2055	4.000	4.35	0.174
PWLB	19/06/1998	01/06/2056	1.500	5.375	0.081
PWLB	21/06/2006	01/06/2056	3.000	4.3	0.129
PWLB	22/06/2006	01/06/2056	6.000	4.35	0.261
PWLB	02/10/1997	25/09/2057	1.500	6.625	0.99
PWLB	12/03/2019	13/03/2063	10.000	2.36	0.236
PWLB	12/03/2019	13/03/2064	10.000	2.36	0.236
PWLB	12/03/2019	13/03/2065	10.000	2.36	0.236
TOTAL PWLB LOANS			282.123		10.161

Lender	Start Date	Maturity Date	Amount £ million	Interest Rate %	Annual Interest £ million
LOBO Loans					
Barclays Bank	03/12/2004	03/12/2054	10.000	4.45	0.445
FMS Wermanagement	07/12/2004	08/12/2053	10.000	4.45	0.445
Depfa Deutsche Pfandbriefbank	10/12/2004	10/12/2052	10.000	4.45	0.445
Dexia Credit Local	10/12/2004	11/12/2051	10.000	4.45	0.445
Barclays Bank	31/08/2005	31/08/2055	5.000	3.99	0.200
Dexia Credit Local	20/02/2006	18/02/2066	6.000	4.45	0.267
Beyern LB	05/03/2007	07/03/2067	4.000	4.2	0.168
Barclays Bank	31/07/2007	01/08/2067	6.000	4.21	0.253
TOTAL LOBO LOANS			61.000		2.667
TOTAL - ALL LOANS			343.123		12.828

* Annual interest = Total amount of annual interest payable per loan outstanding as at 31 March 2019. This won't equal the amount of interest paid during 2018/2019 – as the total loan portfolio has changed during the year.

Investment Portfolio as at 31 March 2019 (compared to the counterparty list)

Borrower	Amount £ million	Interest Rate %	Start Date	Maturity Date	LAS Credit Rating
Australia and New Zealand Banking Group	8.000	0.95	03/05/2018	02/05/2019	Orange - 12 months
National Bank of Abu Dhabi	8.000	1.04	13/09/2018	12/09/2019	Orange - 12 months
Lancashire County Council	5.000	1.10	26/10/2018	26/07/2019	Yellow – 5 years
North Lanarkshire Council	2.000	1.00	01/10/2018	03/05/2019	Yellow – 5 years
Kingston Upon Hull City Council	5.000	0.90	02/10/2018	02/04/2019	Yellow – 5 years
Kingston Upon Hull City Council	5.000	0.90	30/11/2018	31/05/2019	Yellow – 5 years
Salford City Council	5.000	0.90	14/11/2018	14/05/2019	Yellow – 5 years
Highland Council	7.000	0.92	29/11/2018	29/05/2019	Yellow – 5 years
Landesbank Hessen Thuringen	8.000	1.13	16/11/2018	15/11/2019	Orange - 12 months
Close Brothers	3.000	1.10	07/01/2019	05/07/2019	Red - 6 months
DBS Bank Ltd.	8.000	1.09	04/01/2019	31/07/2019	Orange - 12 months
Santander UK plc	8.000	1.03	07/01/2019	08/07/2019	Red - 6 months
Eastleigh Borough Council	5.000	0.93	25/03/2019	28/05/2019	Yellow – 5 years
Close Brothers	5.000	1.10	15/03/2019	16/09/2019	Red - 6 months
Wirral Metropolitan Borough Council	5.000	0.85	15/03/2019	15/04/2019	Yellow – 5 years
Handelsbanken plc (Call Account)	0.011	0.65	*	*	AAA
Black Rock Money Market Fund	0.001	0.74	*	*	AAA
JP Morgan Money Market Fund	0.000	0.74	*	*	AAA
Federated Money Market Fund	14.901	0.79	*	*	AAA
Goldman Sachs Money Market Fund	0.000	0.71	*	*	AAA
Aberdeen Investments Liquidity Fund	0.000	0.78	*	*	AAA
Total	101.913				

* Money Market Funds/Call Account – cash can be invested and withdrawn on a daily basis (subject to maximum investment limits) so there is no start date or maturity date for the purposes of this report.

Link Asset Services provide a creditworthiness service, which employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- a) credit watches and credit outlooks from credit rating agencies;
- b) CDS spreads to give early warning of likely changes in credit ratings;
- c) sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

- a) Yellow – 5 years (this category is for AAA rated Government debt or its equivalent, including an investment instrument – collateralised deposits, where the investment is secured only against local authority debt, namely LOBOs, making them effectively government exposure);
- b) Dark pink – 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.25
- c) Light pink – 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.5
- d) Purple – 2 years;
- e) Blue – 1 year (only applies to nationalised or semi nationalised UK Banks and their subsidiaries);
- f) Orange – 1 year;
- g) Red – 6 months;
- h) Green – 100 days; and
- i) No Colour – not to be used.

The advisor's creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

Wiltshire Council

Cabinet

11 June 2019

Subject: Partnership Working Framework

Cabinet Member: Cllr Richard Clewer – Cabinet Member for Housing, Corporate Services, Arts, Heritage and Tourism.

Key Decision: Non-Key

Executive Summary

A new partnership working framework is proposed for use by councillors and officers when considering Wiltshire Council's engagement in partnerships. This will replace current arrangements which are out of date and unclear.

Proposal(s)

That Cabinet:

- a) Recommends to full council the removal of the Partnership Protocol in the Council's Constitution
- b) Agrees, upon removal of the Partnership Protocol, the adoption of a new Partnership Working Framework as set out below.
- c) Agrees that any subsequent minor amendments to the Partnership Working Framework are delegated to the Monitoring Officer in consultation with the appropriate Cabinet Member.

Reason for Proposal(s)

To strengthen and improve the Council's arrangements for governing partnership working to enable the Council to deliver the priorities in its Business Plan, including in particular 'working with our partners as an innovative and effective council'

Alistair Cunningham, Carlton Brand, Terence Herbert
Executive Directors

Wiltshire Council

Cabinet

11 June 2019

Subject: Partnership Working Framework

Cabinet Member: Cllr Richard Clewer – Cabinet Member for Housing, Corporate Services, Arts, Heritage and Tourism.

Key Decision: Non-Key

Purpose of Report

1. To agree a partnership working framework for use by councillors and officers when considering Wiltshire Council's engagement in partnerships.

Relevance to the Council's Business Plan

2. A key priority of the Business Plan is 'working with our partners as an innovative and effective council'. This commits the council to ensuring it operates as a 'healthy organisation' which has strong checks and balances in place and promotes a culture of innovation and critical analysis. This means working according to the principles set out in eight themes including one on 'delivering together' which states:

We work closely with our key public sector partners – including Wiltshire Police, the Police and Crime Commissioner, the NHS, Dorset and Wiltshire Fire and Rescue Service, the military, DWP and other government agencies, Wiltshire College, academies, training providers and all social housing providers, town and parish councils, the private sector and the voluntary and community sector - to achieve positive outcomes for Wiltshire's communities.

Background

3. In May 2018 a change was made to the terms of reference for the Audit Committee in Part 3 of Wiltshire Council's Constitution, clarifying that governance of partnership working is in the Audit Committee's remit as follows:

To oversee the process for production of the annual governance statement (AGS), to review the supporting evidence including the arrangements for governance of partnership working, and to approve the draft AGS;

4. At the time of the change to these terms of reference, it was not made clear what the partnership working arrangements would be reviewed against. The existing Partnership Protocol that is included in the Council's Constitution was written in December 2010. While the legal principles behind partnerships have not changed since then, the economic context within which the Council operates has changed significantly, as has the partnership landscape (given

the demise of requirements for local area agreements, comprehensive area assessment and sustainable community strategies amongst other things).

5. In February 2018 Cabinet approved a new “Commercial Policy and Approach”. This policy “*sets out an approach, and a definition and vision for how we will continue to be more commercial but built from a base of strong financial and business planning*”. That commerciality, the policy urges, will be delivered through a range of effective and efficient models of delivery, and gives examples of innovative delivery models that are in use now by the Council. Partnerships are included in the range of delivery models but are only one element of the range available to the Council.
6. In 2010 the main mechanisms for delivery were contracts and partnerships and partnerships were an important and frequently used mechanism. The Constitution recognised that importance at the time by the inclusion of the Partnership Protocol; there was no equivalent protocol for other delivery mechanisms such as joint ventures, trusts, or other forms of traded services.
7. The disadvantage of the present Partnership Protocol is that it gives partnerships undue special, favoured, place above other delivery mechanisms and sits outside and at odds with the Commercial Policy and Approach. Whilst proper processes must be observed in the management of partnerships, this could be maintained through a partnership working framework without the need or emphasis of a constitutional protocol.

Main Considerations for the Council

8. A draft partnership working framework is attached as **Appendix 1** for consideration.
9. The Audit Committee has already considered the framework and recommends its adoption by Cabinet. Following adoption, it is proposed that a partnership audit and review is undertaken immediately using the template within its annex.
10. It is intended that the proposed framework would replace the existing Partnership Protocol, which Council will be asked to remove from the Constitution at its meeting in July.
11. The Partnership Working Framework recognises the value of The Wiltshire Compact and is consistent with the fulfilment of its obligations – <http://wiltshirecompact.org.uk/wp-content/uploads/2015/09/The-Full-Wiltshire-Compact.pdf>. This is an agreement between local public sector bodies and organisations of the voluntary and community sector to support and improve partnership working between the sectors and sets out a framework within which positive, effective, working relationships can be developed by:
 - Recognising and building on those things we already do well together;
 - Setting standards and making clear commitments about the ways we will work with each other;
 - Creating an environment of mutual trust and respect which allows us to take full advantage of new opportunities for partnership working.

12. The Compact Promises are that:

- We will work together to make the most efficient and effective use of our available funding resources to deliver the best outcomes for the people of Wiltshire;
- We will work together as partners to build stronger and more resilient communities; We will work together for, and with, the people of Wiltshire, listening to, talking with and involving as many as practicable in shaping and reviewing outcomes for our communities and service users;
- We will promote, support and encourage the work of community groups and volunteering in Wiltshire;
- We will recognise and promote the importance of equality, diversity and human rights to ensure an inclusive approach in the creation of stronger, more resilient communities.

Overview and Scrutiny Engagement

No engagement with Overview and Scrutiny has taken place, however the framework has already been considered by the Audit Committee.

Safeguarding Implications

Much of safeguarding work is multi-agency and takes part in partnership with other organisations. The implications of the framework for these partnerships will be captured as part of the initial audit on current partnership working.

Public Health Implications

Much public health work is multi-agency and takes part in partnership with other organisations. The implications of the framework for these partnerships will be captured as part of the initial audit on current partnership working.

Procurement Implications

The framework makes clear a distinction between contractual relationships and other partnership arrangements; and when partnership working may involve executive decision making on procurement.

Equalities Impact of the Proposal

The framework makes clear the importance of understanding equality considerations when undertaking partnership working.

Environmental and Climate Change Considerations

Much work on mitigating and adapting to climate change is multi-agency and takes part in partnership with other organisations. The implications of the framework for these partnerships will be captured as part of the initial audit on current partnership working.

Risks that may arise if the proposed decision and related work is not taken

The current outdated and unsatisfactory arrangements will remain in place.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

Current partnerships may not be operating in line with the proposed framework. An audit of current partnerships will be undertaken to address this.

Financial Implications

The importance of understanding financial and resource implications when committing to a partnership is made clear in the framework.

Legal Implications

The framework outlines the legal implications of involvement in partnerships.

Workforce Implications

Appropriate awareness raising on the framework will take place with staff.

Conclusions

The Partnership Working Framework will clarify key definitions and the way in which Wiltshire Council engages in partnerships and provide valuable guidance for councillors and officers involved in partnerships.

**Ian Gibbons (Director - Legal, Electoral and Registration Services), Robin Townsend (Director - Corporate Services)
Becky Hellard (Director – Finance and Procurement)**

Report Author: David Bowater, Senior Corporate Support Manager,
david.bowater@wiltshire.gov.uk,

8 May 2019

Appendices

Appendix 1: Draft Partnership Working Framework

Background Papers

Wiltshire COMPACT

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Partnership Working Framework

June 2019

Document control

Reference Number	1.2	Status	Draft
Sponsor(s)	Ian Gibbons	Author(s)	David Bowater
Document objectives	To define the way Wiltshire Council will engage in partnership working		
Intended Recipients	Councillors and senior officers		
Group/Persons Consulted:	Officers, Audit Committee		
Ratifying Body	Cabinet	Date Ratified	Tbc June 2019
Date of Issue	June 2019		
Next Review Date	June 2021		
Contact for Review	David Bowater, Senior Corporate Support Manager		

1. Introduction to the Policy/ Purpose of the Policy

Wiltshire Council is fully committed to partnership working. We recognise the strength and value of effective partnerships in contributing to the improvement of the wellbeing of our communities. This can include:

- Improved coordination of services
- Tackling complex cross-cutting issues
- Stimulating more creative approaches to problems
- Wielding greater influence
- Reducing waste and improving economies of scale
- Meeting statutory requirements
- Learning from people in different organisations

The partnership working framework is designed for Councillors and officers to define the way the council should engage in partnership. This framework identifies:

1. How the Council defines a partnership;
2. How the Council enters and engages in partnerships;
3. Considerations for identifying, managing and supporting partnerships arrangements, including good governance.

The partnership working framework recognises the value of The Wiltshire Compact and is consistent with the fulfilment of its obligations. This is an agreement between local public sector bodies and organisations of the voluntary and community sector to support and improve partnership working between the sectors and sets out a framework within which positive, effective, working relationships can be developed by:

- Recognising and building on those things we already do well together;
- Setting standards and making clear commitments about the ways we will work with each other;
- Creating an environment of mutual trust and respect which allows us to take full advantage of new opportunities for partnership working.

The Compact Promises are that:

- We will work together to make the most efficient and effective use of our available funding resources to deliver the best outcomes for the people of Wiltshire;
- We will work together as partners to build stronger and more resilient communities; We will work together for, and with, the people of Wiltshire, listening to, talking with and involving as many as practicable in shaping and reviewing outcomes for our communities and service users;
- We will promote, support and encourage the work of community groups and volunteering in Wiltshire;
- We will recognise and promote the importance of equality, diversity and human rights to ensure an inclusive approach in the creation of stronger, more resilient communities.

Use of the framework will ensure that for each partnership the council is clear about:

- purpose and expected outcomes
- legal status

- accountability
- risks for the council
- review arrangements

2. Key Definitions

The word partnership is used with increasing frequency across all sectors. It can mean different things to different groups.

Wiltshire Council defines a partnership as a group of stakeholders brought together from more than one organisation, to be responsible for tackling challenges, and exploiting opportunities in which they have a shared interest. **A partnership can be described as a joint working arrangement where the Partners:**

- are otherwise independent bodies;
- agree to co-operate to achieve common goals or outcomes;
- create a new organisational structure or process to achieve these outcomes;
- plan and implement a jointly agreed programme, often with joint staff or resources;
- share relevant information, and pool risks and rewards.

Executive Partnerships act in some way on behalf of all the Partners.

Advisory (Strategic) Partnerships are where Partners agree collectively what each should do henceforth, individually, to further the collective objectives of the partnership.

The following are **not** regarded as partnerships:

- An arrangement made by the Council with a third party to deliver one or more services on its behalf. This is a contract for services. The Council is defined as the procurer/commissioner of the service and the third party as the contracted provider of that service. *This is governed by Wiltshire Council's [commercial](#) policy and approach and contract regulations.*
- Forums or groups of elected Councillors and/or officers from local authorities and others who come together to discuss forthcoming issues, policy and strategy. *For example: the Council is part of a local authority scrutiny network which formulates best practice to improve service delivery.*
- Contractual arrangements that contain a partnership arrangement and partnership arrangements that contain a contractual arrangement: *this could for example include s75 agreements with the NHS. These arrangements need to be dealt with via the contract Regulations in [Part 10 of the constitution](#)*

3. Working in partnership

Wiltshire Council will enter into partnership arrangements when:

- The delivery of outcomes for our communities is more effective and they deliver added value (delivering something that is unlikely to be achieved by another form of working arrangement)

- They are required by Government;
- They strengthen our ability to access external funding;
- They demonstrate good governance ie are consistent and well-managed.

These criteria all demonstrate the council's commitment to work in partnership with others as an innovative and effective council.

Partnership working can be rewarding and deliver results for communities; however, it can also be difficult and resource intensive, especially in the early stages. Therefore, the Council will consider other options before taking the decision to enter into a new partnership. These include:

- using an existing partnership to deliver the objective – this will almost certainly deliver results more quickly and effectively because the partnership is already established, even if it requires some adjustment to existing scope and membership of the partnership;
- Consulting others on proposals but ensuring that one agency retains responsibility for decisions and actions;
- Contractual arrangements, if different benefits are to be produced for different Partners.

Any participation by Wiltshire Council in partnerships must be approved by the relevant head of service and director.

The council will undertake an audit of the partnership arrangements on a periodic basis, using the template at **Annex 1**. The template will be completed by the council's lead officer representative on the partnership. The results of this will inform the production of the annual governance statement agreed by the Audit Committee and in turn full council.

Through ongoing review it may be identified that it is time for a partnership to end. Partnerships may end for a number of reasons, such as:

- The partnership achieves what it set out to do;
- The priorities of the Council change;
- On review, the partnership is not delivering the what it was set up to do and a new approach needs to be explored;
- The partnership is replaced by another arrangement;
- External funding or resources cease;
- On review, an adverse level of risk of continuing the partnership is identified;
- The legal framework upon which the partnership was founded changes.

When a partnership ends the council will:

- Evaluate which schemes or initiatives need to be sustained and how this might take place
- Ensure that if it is the lead partner or accountable body that suitable succession strategies are in place

4. Considerations for Identifying and Managing Partnerships

Legal Status

It is important to understand the distinction between what many normally refer to as partnership working and a formally constituted legal partnership. This framework talks about

the former although in many cases they will contain aspects that are legally binding. It is also important to ensure that the Council has the legal power to enter into the partnership, and equally important, is not contravening any law in doing so. The status of any partnership should be clear. A partnership “agreement” or “Terms of Reference” are required to define how Partners will work together. The length and status of this document will vary between partnerships. It may be that some parts of the agreement will have the status of a protocol or statement of intent, while other parts are legally binding. The different roles that the Council can play in partnerships needs to be understood. Which role it plays can have a significant impact on the responsibilities and liabilities of the Council. Early advice from Wiltshire Council’s legal advisors should be sought to ensure this is clear. Council’s legal advisors may need to be involved in the development of the partnership (in particular regarding legal powers, legal structure and to help identify and consider legal liabilities) and must be involved in the drawing up of any legally binding agreements. The responsibilities of all Partners should be clarified and be in the agreement. These can include health and safety, community safety, equality, or other statutory responsibilities. While the partnership may not be bound by statutory duties in these areas, the Council must ensure that it fulfils its statutory duties in its work through the partnership. Representation of the Council on the partnership should be made clear. Substitute representatives should be identified as required.

Accountability

It is important to understand any partnership’s accountability from a number of aspects. There should be a clear statement about how and to whom the partnership is accountable and what this accountability includes. The partnership should identify which organisation/ authority’s constitution the partnership is answerable to and include this in any partnership ‘ agreement’ or ‘ Terms of Reference’ drawn up. A statement should also be made on the constituent member’s accountability to each other, including any expectations of behaviour.

Finance and Resources

Heads of Service and the Lead Officer should keep under review the resource implications of each partnership, particularly for staff, finance and operational assets, and delivery of corporate priorities – and whether these deliver value for money.

Risk Management

Risks should be understood and evaluated at all stages of partnership development. In considering risks, these could be viewed in two timeframes:

- At the point of deciding whether to enter into a partnership, the risks to the Council should be considered using the Council’ s risk management approach. These should form part of any documentation that is used to support the development of a partnership, and the mitigation plans should be clearly understood by all involved;
- When the decision to enter into a partnership has been made, if the Council is the lead body the Council will ensure that the governance arrangements of the partnership include effective management of risk. As the lead agency the Council will ensure that the risks associated with the partnership working are recorded with service change plans and where appropriate the corporate risk register. If the Council is not the lead agency, the representatives should seek to ensure that minimum standards of risk management are in place, and that the representatives understand the level of risk attached to the Council’s involvement

Roles of Councillors and Officers

Guidance to Councillors Appointed to Outside Bodies is provided as part of [protocol 3](#), alongside the advice included in paragraph 13 of the Councillor / Officer Relations Protocol, which forms part of the Council's Constitution.

The Council will be represented on any agreed partnership by specified Councillors or officers. Each partnership that the Council is represented on will be allocated a sponsoring officer who (usually the Director or Service Manager), although they may personally not be the representative on the partnership, will be responsible for ensuring the delivery of this framework in respect of the relevant partnership.

Any specified officers or Councillors attending approved partnerships will represent only the Council. They shall abide by their respective Council Codes of Conduct at all times. Council representatives will be required to:

- Act on behalf of the Council within specific parameters;
- Ensure activities are co-ordinated across the Council to meet the Council's commitments to the partnership;
- Seek agreement for any new resources not already agreed or budgeted for in line with financial delegations.

Representation on any partnership does not permit any officer or Councillor to commit the Council to use resources not contained within approved budgets nor to act as a public spokesperson for the Council.

Council's legal advisors can provide any necessary advice and guidance to representatives on partnerships regarding potential liabilities for them and the Council, and on their responsibilities and accountabilities.

Communication in a Partnership setting

Guidance on all media and marketing issues for the partnership should be sought from the Council communications team in accordance with the Council's Media Relations Protocol (Protocol 7 of the Constitution). Each partnership should ensure full agreement from all partners to the arrangements for communications for that partnership.

All Partners have a role in communicating and implementing partnership plans. Good communication of decisions and actions is required for the partnership to succeed. It should also be clear what information is available to whom and when through the life of the partnership. The Council will endeavour to ensure that any consultation programmes and publicity exercises for the Council, its partnerships and its Partners are co-ordinated effectively.

Information Sharing

The Council's Data Protection Policy will apply where Council business is concerned. The Council will seek to secure an Information Sharing Agreement within a partnership and between partnership organisations where appropriate.

Performance Management Arrangements

Any partnership that the Council enters into must be clear on its purpose and the outcomes it is to deliver. The Council will ensure that partnerships have in place robust performance

management arrangements. When entering into partnership arrangements the Council should ascertain whether:

- The partnership has an officer accountable for monitoring its performance (usually a head of service or above);
- The partnership has a credible evidence base to inform its objective, planning and target setting;
- There are action plans in place;
- Partners share information to enable effective performance monitoring and option appraisal;
- There are joint mechanisms in place for performance management;
- Findings are owned and acted upon.

Annex 1

Partnership audit template

Name of Partnership	
Type of Partnership including statutory/ legal status	Statutory/ non-statutory Executive / advisory
Partnership area of work	
Does the partnership have terms of reference agreed by all partners?	Insert hyperlink where possible
Membership of the partnership	
Elected member contribution to partnership	
Organisation that the partnership is accountable to	
Service Manager accountable for the Partnership	
Name of responsible officer identified for the Partnership	
Start and proposed end date of partnership	
Contribution of partnership to Council's Business Plan 2017-27	
Funding sources available to the partnership	
Council resources made available to the partnership including; Finance; Staff; Accommodation; Legal; IT; Administration; Training; Insurance; Recruitment; Payroll; Health and safety; Advice; Communications	
Risks to the council associated with partnership	e.g. extent of financial and reputational risk if partnership ceases / ongoing involvement
Key partnership plans or strategies	Insert hyperlink where possible
Mechanisms in place to review performance	
Key sub groups	
Are there any plans for reforming the partnership in the pipeline?	
Information sharing arrangements	

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Wiltshire Council

Cabinet

11 June 2019

Subject: Local Code of Corporate Governance

Cabinet Member: Cllr Richard Clewer – Cabinet Member for Housing, Corporate Services, Arts, Heritage and Tourism

Key Decision: Non-Key

Executive Summary

Attached as Appendix 1 is a revised draft of the Local Code of Corporate Governance (the current draft is protocol 10 of the constitution).

The Local Code of Corporate Governance forms the basis of assessing the robustness of the council's overall governance arrangements.

Proposal(s)

1. That Cabinet approve the revised local code of corporate governance for consideration by full council in July.
2. That Cabinet approve the proposed process for developing the Annual Governance Statement for 2019.

Reason for Proposal(s)

Councils are required to develop and maintain an up-to-date local code of governance. Wiltshire's existing code is based on CIPFA guidance which has been updated. A new draft is attached based on the revised principles. This will have to be adopted by full council to replace the current constitution's protocol 10.

It is proposed that progress on delivery against the code is reviewed by officers on a quarterly basis and that this informs the future development of the Annual Governance Statement for consideration by Audit Committee and Cabinet in due course.

Alistair Cunningham, Carlton Brand, Terence Herbert
Executive Directors

Wiltshire Council

Cabinet

11 June 2019

Subject: Local Code of Corporate Governance

Cabinet Member: Cllr Richard Clewer - Cabinet Member for Housing, Corporate Services, Arts, Heritage and Tourism

Key Decision: Non-Key

Purpose of Report

1. To propose a new local code of corporate governance.

Relevance to the Council's Business Plan

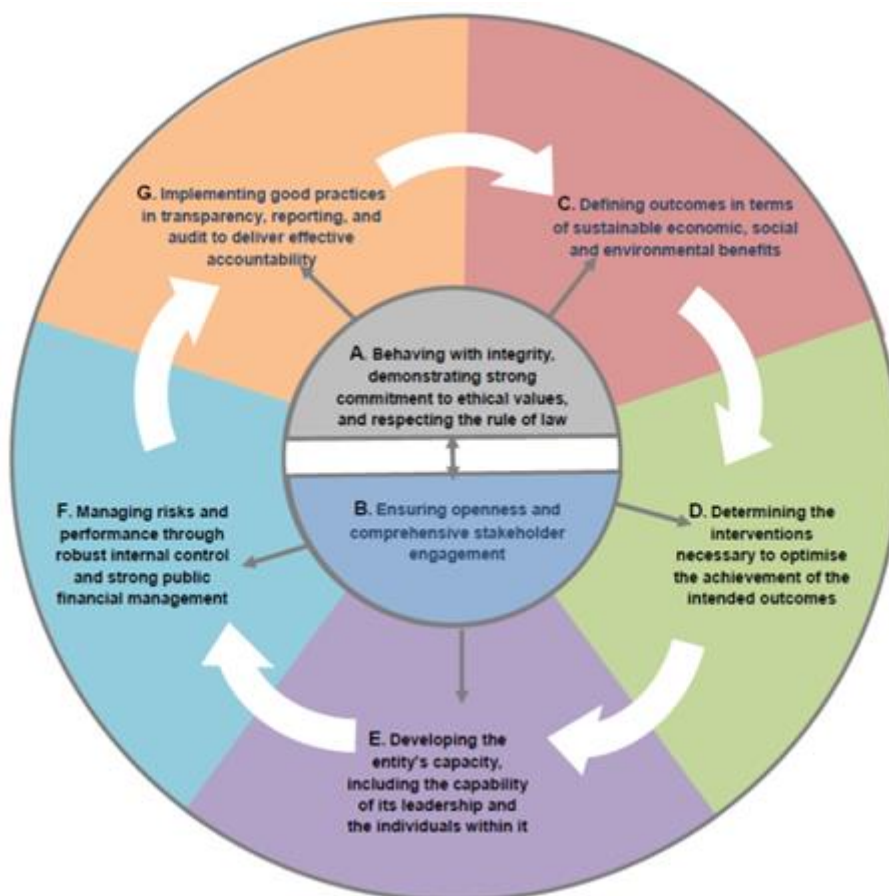
2. The Business Plan has '*working with partners as an innovative and effective council*' as a key priority and within that a commitment to '*Robust decision making which is open, inclusive, flexible and responsive*'. The Local Code of Corporate Governance provides a basis for assessing that this is taking place.

Background

3. Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 require an authority to conduct a review at least once in a year of the effectiveness of its systems of internal control and include a statement reporting on the review with any published Statement of Accounts. This is known as an Annual Governance Statement.
4. The Accounts and Audit Regulations 2015 stipulate that the Annual Governance Statement must be prepared in accordance with proper practices in relation to accounts. Therefore, a local authority should provide this statement in accordance with guidance produced by the Chartered Institute of Public Finance and Accounting (CIPFA) '*Delivering Good Governance in Local Government Framework (2016)*' and reflect this in its local code of corporate governance.
5. The local code of corporate governance is a small part of the council's overarching assurance framework and there are also important responsibilities to provide a statement of accounts, a constitution that provides for effective decision making, including overview and scrutiny, internal and external audit and to have in place a robust performance and risk management framework. These elements are set out in an annex to the code.

Main Considerations for the Council

6. The attached draft local code of corporate governance (Appendix 1) is intended to replace the out of date protocol 10 of the Wiltshire Council constitution. It reflects updated CIPFA guidance which outlines the following seven principles:
- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
 - Ensuring openness and comprehensive stakeholder engagement
 - Defining outcomes in terms of sustainable, economic, social and environmental benefits
 - Determining the interventions necessary to optimize the achievement of the intended outcomes
 - Developing the Council's capacity, including the capability of its leadership and the individuals within it
 - Managing risks and performance through robust internal control and strong public financial management
 - Implementing good practices in transparency, reporting and audit, to deliver accountability



7. The draft local code of corporate governance provides further levels of detail on which the council can monitor its progress against each of the seven principles.
8. It is proposed that progress on delivery against the code is reviewed by officers on a quarterly basis and that this informs the future development of the

Annual Governance Statement for consideration by Audit Committee and Cabinet in due course.

Overview and Scrutiny Engagement

9. The proposed Local Code of Corporate Governance has been considered by the Audit Committee and Standards Committee. It will provide the basis for assurance on the robustness of the council's overall governance arrangements.

Safeguarding Implications

10. The proposed Local Code of Corporate Governance provides the basis for assurance on managing risks and performance through robust internal control, including those relating to safeguarding.

Public Health Implications

11. None

Procurement Implications

12. The proposed Local Code of Corporate Governance provides the basis for assurance on Implementing good practices in transparency, reporting and audit, to deliver accountability – including those relating to procurement.

Equalities Impact of the Proposal

13. The proposed Local Code of Corporate Governance provides the basis for assurance on Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law – including equality considerations.

Environmental and Climate Change Considerations

14. The proposed Local Code of Corporate Governance provides the basis for assurance on defining outcomes in terms of sustainable, economic, social and environmental benefits.

Risks that may arise if the proposed decision and related work is not taken

15. The basis for assuring the robustness of council governance will be out of date.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

16. Governance arrangements may require changing in light of the new assessments. Risks associated with this will be mitigated through progress on delivery against the code being reviewed by officers on a quarterly basis.

Financial Implications

17. The Annual Governance Statement is approved alongside the Annual Statement of Accounts. The Local Code of Corporate Governance provides the basis for assurance on managing risks and performance through robust internal control and strong public financial management.

Legal Implications

18. Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 require an authority to conduct a review at least once in a year of the effectiveness of its systems of internal control and include a statement reporting on the review with any published Statement of Accounts. This is known as an Annual Governance Statement.
19. The Accounts and Audit Regulations 2015 stipulate that the Annual Governance Statement must be prepared in accordance with proper practices in relation to accounts.

Workforce Implications

20. Awareness of the council's decision making processes is an essential part of ensuring robust practice which can be assessed using the code.

Conclusions

21. The attached, revised Local Code of Corporate Governance will provide a sound basis for assurance on the council's governance arrangements.

Ian Gibbons

Director Legal and Democratic Services (Monitoring Officer)

Becky Hellard

Chief Finance Officer / Section 151 Officer

Robin Townsend

Director Corporate Functions and Digital

Report Authors:

David Hill, South West Audit Partnership

David Bowater, Wiltshire Council

Appendix 1:

Draft Local Code of Corporate Governance

14 May 2019

Appendices

Appendix 1: Local Code of Corporate Governance

Background Papers

None

Wiltshire Council

Local Code of Corporate Governance

1. Delivering Good Governance

- 1.1 The Delivering Good Governance in Local Government Framework, published by CIPFA in association with SOLACE, sets the standard for local authority governance in the UK. The concept underpinning the framework is to support local government in taking responsibility for developing and shaping an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way. The purpose of the Framework is to assist authorities individually in reviewing and accounting for their own unique approach, with the overall aim to ensure that :
- Resources are directed in accordance with agreed policy and according to priorities
 - There is sound and inclusive decision making
 - There is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities
- 1.2 Governance is a term used to describe the arrangements (including political, economic, social, environmental, administrative, legal, and other arrangements) put in place to ensure that the intended outcomes for stakeholders are defined and achieved.
- 1.3 Good governance enables the Council to effectively achieve its intended outcomes, whilst acting in the public interest at all times.
- 1.4 The Delivering Good Governance in Local Government Framework sets out seven core principles of governance as detailed in the diagram below. Wiltshire Council is committed to these principles of good governance and confirms this through the adoption, monitoring and development of this document - the Council's Local Code of Corporate Governance.
- 1.5 Our Local Code is underpinned by the Delivering Good Governance in Local Government Framework and comprises policies, procedures, behaviours and values by which the Council is controlled and governed. These key governance areas, and how the Council provides assurance that it is complying with these, are set out in more detail within its Governance Assurance Framework.

- 1.6 The Council recognises that establishing and maintaining a culture of good governance is as important as putting in place a framework of policies and procedures. The Council expects councillors and officers to uphold the highest standards of conduct and behaviour and to act with openness, integrity and accountability in carrying out their duties.

2. Principles of Good Governance

- 2.1 The principles of good governance describe the outcomes this Code is attempting to deliver, and reflect those set out in the Framework:

- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable, economic, social and environmental benefits
- Determining the interventions necessary to optimize the achievement of the intended outcomes
- Developing the Council's capacity, including the capability of its leadership and the individuals within it
- Managing risks and performance through robust internal control and strong public financial management
- Implementing good practices in transparency, reporting and audit, to deliver accountability

- 2.2 Further information on the way in Wiltshire Council considers its commitment to these principles is set out at the end of this document.

3. Status

- 3.1 Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 require an authority to conduct a review at least once in a year of the effectiveness of its systems of internal control and include a statement reporting on the review with any published Statement of Accounts. This is known as an Annual Governance Statement.
- 3.2 The Accounts and Audit Regulations 2015 stipulate that the Annual Governance Statement must be prepared in accordance with proper practices in relation to accounts. Therefore a local authority in England shall provide this statement in accordance with Delivering Good Governance in Local Government Framework (2016) and this section of the Code.

4. Monitoring and Review

- 4.1 The Council will monitor its governance arrangements for their effectiveness in practice and will review them on a continuing basis to ensure that they are up to date. This process of review will form the basis for the production of the Annual Governance Statement. In order to ensure that the Annual Governance Statement is evidence-based and effective, the council has established a steering group of officers with responsibility for oversight of compliance with this code - the Corporate Governance Officers Group.
- 4.2 The council is committed to delivering on the seven key principles of corporate governance. Each of these principles gives rise to a number of requirements, which in turn translate into a range of actions and sources of evidence of the effectiveness of the principles. The principles are supplemented by a range of internal controls, checks and balances which, as a whole, form the council's assurance framework (appendix 1). The council will maintain an evidence-base of information about the efficacy of this Code of Corporate Governance. This will identify the key assurance systems and processes, state how compliance with each of those requirements can be evidenced and assign accountability for each element to a named officer.
- 4.3 The assurance framework includes reference to the Senior Information Risk Owner who provides an annual report to the Audit Committee on information governance arrangements. The Public Sector Equality Duty also features and is a key duty which we have to demonstrate we are meeting in our decision making. Undertaking equality analysis is a systematic and thorough way of finding out whether a policy or service affects different groups of people in different ways and such analysis needs to be embedded as part of the normal policy making and political decision making process.
- 4.4 This Code of Corporate Governance and the supporting assurance framework will, together, provide a sound basis to bring together the many strands of assurance required by a large and complex authority into coherent and transparent governance arrangements. Drawing on this, on an annual basis, the Executive Directors and Leader of the Council will publish an Annual Governance Statement which will:
- provide a meaningful but brief overview of governance in a readable style
 - assess how the Council has complied with this Local Code of Corporate Governance
 - provide an opinion on the effectiveness of the Council's arrangements
 - provide details of how continual improvement in the systems of governance will be achieved
 - include agreed actions dealing with significant governance issues and indicate how previous actions have been resolved

5. Certification

- 5.1 We hereby endorse our commitment to this Local Code of Corporate Governance and will ensure that the Council continues to review, evaluate and develop the Council's Governance arrangements to ensure continuous improvement of the Council's systems.

Cllr
Leader of the Council

Alistair Cunningham
Executive Director

Carlton Brand
Executive Director

Terence Herbert
Executive Director

Statement of Principles of Good Governance

Principles, Behaviours and Actions	
Principle 1 – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law	
<p>Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.</p>	
Behaving with integrity	<ul style="list-style-type: none"> ▪ Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the Council. ▪ Ensuring members take the lead in establishing specific standard operating principles or values for the Council and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles). ▪ Leading by example and using the above standard operating principles or values as a framework for decision making and other actions. ▪ Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.
Demonstrating strong commitment to ethical values	<ul style="list-style-type: none"> ▪ Seeking to establish, monitor and maintain the Council’s ethical standards and performance. ▪ Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the Council’s culture and operation. ▪ Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values. ▪ Ensuring that external providers of services on behalf of the Council are required to act with integrity and in compliance with ethical standards expected by the Council.
Respecting the rule of law	<ul style="list-style-type: none"> ▪ Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.

Principles, Behaviours and Actions	
	<ul style="list-style-type: none"> ▪ Creating the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements. ▪ Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders. ▪ Dealing with breaches of legal and regulatory provisions effectively. ▪ Ensuring corruption and misuse of power are dealt with effectively.
Principle 2 – Ensuring openness and comprehensive stakeholder engagement	
<p>Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.</p>	
Openness	<ul style="list-style-type: none"> ▪ Ensuring an open culture through demonstrating, documenting and communicating the Council’s commitment to openness. ▪ Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided. ▪ Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear. ▪ Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action.
Engaging comprehensively with institutional stakeholders	<ul style="list-style-type: none"> ▪ Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably ▪ Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively. ▪ Ensuring that partnerships are based on

Principles, Behaviours and Actions	
	<ul style="list-style-type: none"> - trust - a shared commitment to change - a culture that promotes and accepts challenge among partners <p>and that the added value of partnership working is explicit.</p>
Engaging with individual citizens and service users effectively	<ul style="list-style-type: none"> ▪ Establishing a clear policy on the type of issues that the Council will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes. ▪ Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement. ▪ Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs. ▪ Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account. ▪ Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity. ▪ Taking account of the impact of decisions on future generations of tax payers and service users.
Principle 3 – Defining outcomes in terms of sustainable, economic, social and environmental benefits	
<p>The long-term nature and impact of many of local government’s responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the Council’s purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.</p>	
Defining outcomes	<ul style="list-style-type: none"> ▪ Having a clear vision, which is an agreed formal statement of the Council’s purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the Council’s overall strategy, planning and other decisions.

Principles, Behaviours and Actions	
	<ul style="list-style-type: none"> ▪ Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer. ▪ Delivering defined outcomes on a sustainable basis within the resources that will be available. ▪ Identifying and managing risks to the achievement of outcomes. ▪ Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available.
Sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> ▪ Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision. ▪ Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the Council's intended outcomes and short-term factors such as the political cycle or financial constraints. ▪ Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs. ▪ Ensuring fair access to services.
Principle 4 – Determining the interventions necessary to optimise the achievement of the intended outcomes	
<p>Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.</p>	
Determining interventions	<ul style="list-style-type: none"> ▪ Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided. ▪ Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.

Principles, Behaviours and Actions

<p>Planning interventions</p>	<ul style="list-style-type: none"> ▪ Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets. ▪ Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered. ▪ Considering and monitoring risks facing each partner when working collaboratively, including shared risks. ▪ Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances. ▪ Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured. ▪ Ensuring capacity exists to generate the information required to review service quality regularly. ▪ Preparing budgets in accordance with objectives, strategies and the medium term financial plan. ▪ Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.
<p>Optimising achievement of intended outcomes</p>	<ul style="list-style-type: none"> ▪ Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints. ▪ Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term (including for contracted out delivery). ▪ Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage. ▪ Ensuring the achievement of ‘social value’ through service planning and commissioning.

Principle 5 – Developing the Council’s capacity, including the capability of its leadership and the individuals within it

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to

Principles, Behaviours and Actions	
<p>guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.</p>	
<p>Developing the Council's capacity</p>	<ul style="list-style-type: none"> ▪ Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness. ▪ Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently. ▪ Recognising the benefits of partnerships and collaborative working where added value can be achieved. ▪ Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.
<p>Developing the capability of the Council's leadership and other individuals</p>	<ul style="list-style-type: none"> ▪ Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained. ▪ Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body. ▪ Ensuring the leader and the Executive Directors have clearly defined and distinctive leadership roles within a structure whereby the Executive Directors leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority. ▪ Developing the capabilities of members and senior management to achieve effective leadership and to enable the Council to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: <ul style="list-style-type: none"> – ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged

Principles, Behaviours and Actions

- ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis
- ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external
- Ensuring that there are structures in place to encourage public participation.
- Taking steps to consider the leadership’s own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections.
- Holding staff to account through regular performance reviews which take account of training or development needs.
- Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.

Principle 6 – Managing risks and performance through robust internal control and strong public financial management

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability. It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

- Managing risk**
- Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making.
 - Implementing robust and integrated risk management arrangements and ensuring that they are working effectively.
 - Ensuring that responsibilities for managing individual risks are clearly allocated.

Principles, Behaviours and Actions	
Managing performance	<ul style="list-style-type: none"> ▪ Monitoring service delivery effectively including planning, specification, execution and independent post implementation review. ▪ Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the Council's financial, social and environmental position and outlook. ▪ Ensuring an effective scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the Council's performance and that of any organisation for which it is responsible. ▪ Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement. ▪ Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements).
Robust internal control	<ul style="list-style-type: none"> ▪ Aligning the risk management strategy and policies on internal control with achieving objectives. ▪ Evaluating and monitoring risk management and internal control on a regular basis. ▪ Ensuring effective counter fraud and anti-corruption arrangements are in place. ▪ Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor. ▪ Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body: <ul style="list-style-type: none"> – provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment – that its recommendations are listened to and acted upon
Managing data	<ul style="list-style-type: none"> ▪ Ensuring effective arrangements are in place for the safe collection, storage, and use and sharing of data, including processes to safeguard personal data. ▪ Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies.

Principles, Behaviours and Actions	
	<ul style="list-style-type: none"> ▪ Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.
Strong public financial management	<ul style="list-style-type: none"> ▪ Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance. ▪ Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.
Principle 7 – Implementing good practices in transparency, reporting, and audit to deliver effective accountability	
<p>Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.</p>	
Implementing good practice in transparency	<ul style="list-style-type: none"> ▪ Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate. ▪ Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.
Implementing good practices in reporting	<ul style="list-style-type: none"> ▪ Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way. ▪ Ensuring members and senior management own the results reported. ▪ Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement). ▪ Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate. ▪ Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations.

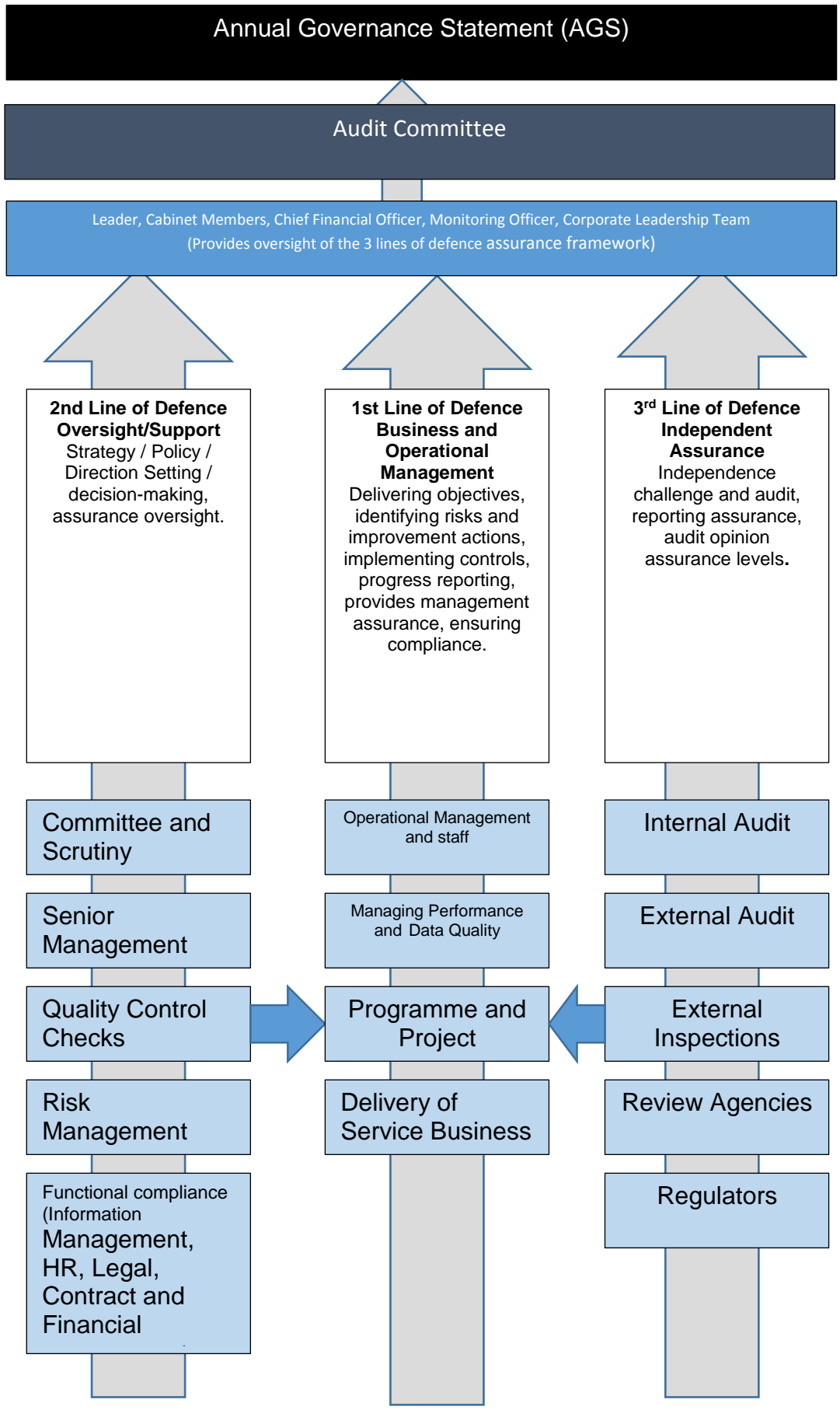
Principles, Behaviours and Actions

Assurance and effective accountability	<ul style="list-style-type: none"> ▪ Ensuring that recommendations for corrective action made by external audit are acted upon. ▪ Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon. ▪ Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations. ▪ Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement. ▪ Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met.
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Version Control

Version	Prepared/Reviewed By	Date	Approved By	Date
2019 V1	David Bowater	March 2019		



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Wiltshire Council

Cabinet

11 June 2019

Subject: Award of the New Highways Term Consultancy Contract

Cabinet Member: Cllr Bridget Wayman, Cabinet Member for Highways, Transport and Waste

Key Decision: Key

Executive Summary

In September 2018 Cabinet approved the invitation of tenders for a single supplier to provide Wiltshire's Consultancy Services from 1 December 2019 for a duration of five years, with the option to allow the service manager to extend the contract for up to two more years subject to performance.

A procurement exercise, which followed the two stage process, was undertaken in accordance with the Council's procurement procedures. Stage one of the procurement commenced on 26 November 2018. Potential bidders were invited to complete the selection stage documents. These submissions were evaluated, and a shortlist of suitable bidders was prepared.

Stage two of the process was the invitation to tender in which the shortlisted consultants were invited to submit tenders by 29 March 2019.

The tender assessment process consisted of the consideration of tenders in terms of price and quality, using the Price/Quality weightings of 50/50 as described in the tender documentation and in accordance with the procurement procedures.

The detailed scoring and financial information is contained in a confidential report to be considered in Part 2 of this meeting.

Proposal

It is recommended that Cabinet delegates authority to the Director, Highways and Environment to award the Wiltshire Highways Term Consultancy Contract, instruct legal to execute all necessary documentation: that officer should consult with the Director of Finance and Procurement and the Cabinet Member, Highways, Transport and Waste.

Reasons for Proposal

- (i) There is a need for specialist advice and support in connection with roads, bridges and related services. Awarding the Highways Term Consultancy Contract is considered to be the most economical way to provide this.
- (ii) The tender documents were assessed in terms of Price and Quality as set out in the report to Cabinet on 25 September 2018. The quality of the service is important because the contract is substantially involved with design work. Poor quality design can have a disproportionate effect on construction costs, especially in terms of capital road and bridge maintenance work which will form a large proportion of the workload.
- (iii) The most advantageous tender for the Council, taking into account quality and price, should be accepted in accordance with the procurement procedures.

Alistair Cunningham
Executive Director

Wiltshire Council

Cabinet

11 June 2019

Subject: Award of the New Highways Term Consultancy Contract

Cabinet Member: Cllr Bridget Wayman, Cabinet Member for Highways, Transport and Waste

Key Decision: Key

Purpose of Report

1. To approve the award of the New Wiltshire Council Highways Term Consultancy Contract.

Relevance to the Council's Business Plan

2. Procurement of a new Wiltshire Council Highways Term Consultancy Contract will help meet the priorities of the Council's Business Plan 2017 – 2027, including:
 - Growing the Economy:
 - High Skilled Jobs (Employment)
 - Ensuring the Consultant establishes a local office will provide additional employment opportunities, including apprenticeships.
 - Promoting and informing school children of the career opportunities in, and associated with Engineering.
 - Transport and Infrastructure (Access)
 - By providing assistance to the highways teams in bidding and managing the successful delivery of highway schemes for improved road infrastructure and strategic roads and rail services.
 - Strong Communities:
 - Safe Communities (Protection)
 - The use of the latest design and specification considerations for road improvements will help improve safety, reducing casualties and the risk of flooding to properties.
 - Working with Our Partners:
 - Community Involvement
 - Ensuring appropriate consultation with local communities as part of the design process.
 - Performance
 - Through the delivery of successful schemes to program.
 - Change
 - Continuously reviewing performance and results, and applying lessons learned on schemes will ensure an improved experience for the customer and staff.
 - Delivering Together

- By ensuring the Consultant acts as the Council's partner and promotes a shared vision for all public services, providing the best outcomes for our communities.

Background

3. On 25 September 2018 Cabinet resolved:
 - (i) That tenders be invited for a single supplier to provide Wiltshire's Council Highway Term Consultancy Services from 1 December 2019.
 - (ii) That the contract be tendered in accordance with the Council's procurement procedures, for a duration of five years with the option to allow the service manager to extend the contract for up to two more years subject to performance.
4. The appointment of a new Highways Consultant would ensure assistance with the delivery and management of important aspects of the highway service, enabling the authority to carry out its duty to maintain the highways network and related infrastructure in accordance with the Highways Act and other legislation.
5. The Highways Consultant would also support delivery of the Wiltshire Council Business Plan priorities of Growing the Economy and Strong Communities in terms of improving road and rail infrastructure, supporting housing and employment growth by tackling the maintenance backlog on the roads, addressing congestion and 'pinch points' on the road network and successful bidding for future government funding linked to the delivery of the Swindon and Wiltshire Strategic Economic Plan, funding of new infrastructure and improvements to the strategic roads and rail network.
6. It is proposed that the new contract would come into operation on 1 December 2019 in order to continue service provision at the end of the existing contract.

Main Considerations for the Council

7. The procurement has followed the restricted procedure advertised in accordance with the EU Procurement Rules. This involved tenderers being invited to bid following an initial selection process based on their capabilities and experience. This ensured that those being invited to tender met the minimum requirements to deliver the services. The process followed in inviting tenders and the assessment methodology is described below.
8. The return date for the shortlisted tenderers completed bid documents was midday on the closing date of 29 March 2018. The tender documents included both price and quality elements, which are taken into account in awarding the contract.

Tender Assessment

9. The tender evaluation was carried out on the basis of the 50/50 Price/Quality proportions as set out in the contract documentation. These proportions recognised the equal importance of price and quality for this particular service.

10. The price and quality assessments were carried out separately, and the results were then combined to determine the overall tenderer score.

Quality Assessment

11. The tenderers were required to provide responses in accordance with the information set out in the Quality Questionnaire, which was in two parts:

Part 1 – Information from tenderers – this was supplemental information that is not scored.

Part 2 – Undertakings and Associated Measurement Mechanisms – these form part of the quality questions and each undertaking was scored out of ten.

12. The tenderers were required to provide ten clear undertakings for each of the ten performance objective, along with associated measurement mechanisms.

13. The ten performance objectives are:

- A. General Management
- B. Financial Management
- C. Customer Service and Quality
- D. Health and Safety
- E. Staffing Issues
- F. Service Development and Innovation
- G. Information Technology
- H. Environmental Management
- I. Technical Performance – Quality
- J. Technical Performance – Programme and Cost

14. The responses were assessed by a panel comprising the relevant Heads of Service and officers who have had extensive experience of the type of work to be procured through the Contract. The response to each undertaking was given a score of up to ten. The individual scores were reviewed and moderated in order to determine a score for each question.

15. The maximum scores for each quality question is indicated in the table below:

Question Number	Maximum Available Score
A1 to A10 - 10 marks per each undertaking	100
B1 to B10 - 10 marks per each undertaking	100
C1 to C10 - 10 marks per each undertaking	100
D1 to D10 - 10 marks per each undertaking	100
E1 to E10 - 10 marks per each undertaking	100
F1 to F10 - 10 marks per each undertaking	100
G1 to G10 - 10 marks per each undertaking	100
H1 to H10 - 10 marks per each undertaking	100
I1 to I10 - 10 marks per each undertaking	100

J1 to J10 - 10 marks per each undertaking	100
Interview Question 1	10
Interview Question 2	10
Interview Question 3	10
Total Maximum Available Quality Evaluation Score	1030

Tenderer Interviews

16. Tenderer Interviews were held on 16 April 2019. Three specific questions about the service provision were provided to the Tenderers a week in advance of the interview. The responses to the questions at the interviews were scored by a panel of officers.
17. The three questions were scored out of ten and added to the score for the undertakings to form the Quality Evaluation Score.
18. The Total Quality Score for each Tenderer was then calculated as a percentage of the Maximum Quality Ratio (50%) relative to the total score received for the Quality Evaluation Score. For example, if the Tenderer receives 100% of the available marks, they would be awarded a score of 50% for Quality. If the Tenderer receives 50% of the available total marks they would be awarded a score of 25% for Quality.

Price Assessment

19. Tenderers had to price a schedule of items for a basket of goods representing the hours of work anticipated to be ordered through the contract during a typical year. The Price List contained a schedule of items based on the type of resources required in the contract. The Council has good information on works ordered during the current contract, and can identify likely annual resource requirements with a good level of accuracy.
20. Tenderers had the opportunity to provide different prices for the defined resources required to be provided under the contract. For example, a Design Engineer working on major schemes and capital projects would be required to have a different knowledge of design than one required to provide design works for highway major maintenance works. This provided the opportunity to provide specific rates for different types of work.
21. The Total Price score was calculated by ranking the Tenderers' Total Price, with the lowest price allocated the maximum weighted score contribution. Remaining tenders are awarded a weighted contribution score pro rata the most competitive tender.

Combined Quality/Price Scores

22. The price and quality scores were combined to achieve an overall tender score for each tenderer.

23. The tender assessment process recognised the vital importance of obtaining cost-effective services, and has also taken into account the importance of the quality of the services provided by the consultant.

Overview and Scrutiny Engagement

24. The Environment Select Committee considered a report on the options for the re-procurement of Wiltshire Council Term Highways Consultancy Service in September 2018. Recommendations made by the Environment Select Committee were included in the report subsequently considered by Cabinet.
25. The Environment Select Committee received an update on progress at its 23 April 2019 meeting. During 23 April 2019 meeting, when the Committee received an update on the item, the Committee resolved to consider the outcome of the tender assessment; once the information can be made available to the public (following 30 April Cabinet). The Committee are due to receive this information at 18 June 2019 meeting.

Safeguarding Implications

26. The contract requires the Highway Consultant to comply with current legislation and any subsequent revisions, as well as with the Council's Policies and Procedures for the Safeguarding Adults in Wiltshire.

Public Health Implications

27. Improving road safety is an important aspect of the highway service. The Highway Consultant will be required to have access to the latest design guides and specifications, as well as having wider experience in the use of new materials and technologies to improve safety. This will assist in the design of safe accessible road layouts, reducing pinch points and congestion. The consultant's work will also help the Council in improving air quality, promoting greater highway use by pedestrians and cyclists, and reducing the possibility of accidents and the numbers killed and injured on the road network. Consideration will also be given to involving the consultant in key public health strategies such as environmental elements of the obesity strategy.

Procurement Implications

28. The new contract will deliver consultancy services that support the Council's highway teams in delivering a range of highway services, and assisting the authority with specialist designs, studies investigations and funding bids.
29. The procurement has followed the Restricted Procedure, was a two stage process, including the relevant OJEU notices and procedures. The Council's Procurement Team has been actively involved in the process and has monitored the procurement and tender assessment process to ensure it is carried out properly and to reduce the risk of a legal challenge.
30. The scope and details of the new contract have been developed to take into account a number of factors, including accurately delivering work to time and budget. It also includes contract undertakings and associated measurement mechanisms to ensure there is **Page 215** contract management process.

Equalities Impact of the Proposal

31. An initial equality analysis was carried out, and it was concluded that vulnerable people or communities would not be directly affected by the award of the new consultancy contract. However, it did acknowledge that staff employed by the current consultant would have concerns over their future employment and transfer to a new provider. TUPE regulations have been applied to these staff as part of the procurement process. No Council staff will be transferred as a result of the award of this contract.
32. The successful tenderer has been required to demonstrate good practice in terms of employment policies and practices, and conform to the Council's standards and behaviours framework. The tenderers' employment policies have been taken into account in assessing the tenders, and will be monitored during the contract.
33. The successful tenderer will need to demonstrate that they have robust health and safety procedures and training programmes in place.

Environmental and Climate Change Considerations

34. As part of the procurement process the bidders had to provide a series of undertakings that they would put in place to demonstrate their approach to environmental considerations and innovations, including reducing their carbon emissions during the life of the contract.
35. The procurement of the new contract offers the Council the opportunity to obtain specialist technical support to achieve environmental improvements, especially in terms of reduced carbon footprint and recycling of materials in connection with the Works Contracts. The existing Highways Consultant has introduced road construction techniques to reduce landfill and the environmental impact of the Council, including the introduction of energy efficient LED lighting units, and this is expected to continue with the new contract.
36. The tender assessment process for the new consultancy contract has taken into account the environmental management policies of the tenderers in the quality assessments. A questionnaire was issued at the Pre-Qualification Stage and required the potential tenderers to have suitable environmental management policies in place before being invited to tender.

Risks that may arise if the proposed decision and related work is not taken

37. It is important that a suitable consultant is appointed to enable the contract to start on 1 December 2019 when the existing contract ends. In the event of the contract not being awarded, it may be possible to make temporary arrangements for the provision of some of the critical services through the Bloom Consultancy Services or by other arrangements.
38. The use of temporary consultancy arrangements may enable the delivery of smaller works/design packages over shorter time periods, but it would not enable the procurement of the whole service, which is designed to provide continued

highway support over a minimum five year period, and there would be potential TUPE and cost implications.

39. If a contract is not awarded there is a risk of delays to highway improvement works due to designs not being completed in time, and that the Council may not be in a position to submit bids in order to take advantage of opportunities to bid for central government funding.
40. The early award of the contract and an early start on preparations for the new contract would reduce the risk of potential adverse impact on costs and poor service delivery.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

41. There is a risk that despite the stringent procurement procedure and assessment processes that the selected consultant does not meet expectations, and that performance is not as good as anticipated. In order to reduce this risk, the Consultant's performance will be monitored against agreed undertakings and their associated measurement mechanisms. There is an incentive for good performance through the contract extension mechanisms.
42. The new contract will be managed through established and clearly defined processes. An Annual Highways Review of Service report will continue to be submitted to the Environment Select Committee, reporting on performance of the highways consultant and contractors.
43. Careful consideration was given to the scope of the new contract, including a lessons learned exercise to ensure that the scope included what worked well under the current contract, and identifying areas where improvements could benefit the Council. The results of these reviews were incorporated into the new contract provisions.
44. There is a risk that there could be a legal challenge to the contract award. There is a ten day standstill period following award during which this could happen. The processes followed in procuring the contract have followed due diligence in order to reduce this risk.

Financial Implications

45. There was an identified risk that tendering the new contract could result in increased costs.
46. A comparison of the tendered rates with the existing rates has been carried out and the results are described in the Part 2 item to be considered at this meeting.
47. The financial assessments of the bids were compiled in line with the evaluation criteria within the tender documentation. The financial implications of the contract award are described in the Part 2 item to be considered at this meeting

Legal Implications

48. The Council has a duty to maintain the highways network and related infrastructure. The new consultant contract helps deliver and manage important

aspects of the highways service, and helps ensure that the Council meets its obligations under the Highway Act and other legislation. The new Contract and the appointment of a suitable supplier will help ensure that the services are provided to the standard necessary for the Council to fulfil its statutory duties.

49. The transfer of staff under TUPE from the existing service supplier to any new supplier will be managed with appropriate legal advice as part of the contract procurement and transition process. This will include the protection of pension rights of transferring staff through either access to the Local Government Pension Scheme or a broadly comparable scheme.
50. It is important that the procurement process and contract award follow the correct processes in order to avoid legal challenges during the process which could delay or prevent the start of any new arrangements.

Options Considered

51. It is necessary for the Council to award a new contract because the existing contract will end in November 2019. The contract provides support for services which are important to the Council and the communities in Wiltshire, including highway improvement works and surfacing schemes throughout the county.
52. There are safety, legal, reputational and financial risks associated with not having a suitable consultancy service, or other arrangements, available to assist the highways service in carrying out its statutory duties.
53. Following publication of the OJEU notice the tender documents were made available to potential bidders from 26 November 2018. Despite an initial interest from a number of consultancy companies, two completed questionnaires were received from companies which met the requirements, and they were invited to submit tenders by 29 March 2019.
54. The tenders assessment process takes into account price and quality in accordance with the procedures set out in the tender documents.

Conclusions

55. It is concluded that there is a need for specialist technical advice and support in connection with roads, bridges and related highway services, and that this should be provided by awarding the new Wiltshire Highways Term Consultancy Contract to the preferred bidder. The results of assessment to identify the preferred bidder are described in the Part 2 item to be considered at this meeting.

Parvis Khansari (Director - Highways and Environment)

Report Author:

Steve Cross

steve.cross@wiltshire.gov.uk

31.05.19

The following documents have been relied on in the preparation of this report:

Appendices

None

Background Papers

None

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Wiltshire Council

Cabinet

11th June 2019

Subject: Acquisition of Industrial Unit for Operational Service Needs

**Cabinet members: Cllr Philip Whitehead
Cabinet Member for Cabinet Member for Finance, Procurement,
Transformation and Operational Assets**

Key Decision: Key

Executive Summary

This report seeks consideration of the purchase of a commercial building to address operational service accommodation needs for storage and enable rationalisation of the Council's estate.

Proposal(s)

To agree to vire up to £1.250 million from the £10 million commercial investment capital allocation in 2019/20 to fund a purchase of an industrial unit to meet operational service requirements.

To delegate the decision to agree the purchase price to the Director for Housing and Commercial Development, in consultation with the Cabinet Member for Finance and the Director for Finance and Procurement

Reason for Proposal

To ensure the Council can provide accommodation that meets operational service needs and to enable rationalisation of the Council's estate. To consider consolidation of other services into a new facility to accelerate the release of potential development sites and or site disposal.

**Alistair Cunningham
Executive Director of Growth, Investment and Place**

Wiltshire Council

Cabinet

11th June 2019

Subject: Acquisition of Industrial Unit for Operational Service Needs

Cabinet member:

**Cllr Philip Whitehead
Cabinet Member for Cabinet Member for Finance, Procurement,
Transformation and Operational Assets**

Key Decision: Key

Purpose of Report

1. The purpose of this report is to seek cabinet approval to vire £1.25 million from the £10 million commercial investment capital allocation and to agree to the acquisition of a property to meet operational service needs.

Main Considerations for the Council

2. Officers have identified an industrial unit that is on the market that would provide the capacity to meet operational service needs and enable rationalisation of the Council's operational estate. The building provides 16,572 sqft.
3. The Council could rationalise current storage for a number of service areas. These include learning resources service, election services, Highways and ICT services. In total the requirements could reach circa 17,000 sqft. It is anticipated that the space requirements could be rationalised in the industrial unit due to availability of racking which is full height and covers two thirds of the building.
4. Relocating the storage for the identified service areas would enable rationalisation and or redevelopment of the following Council assets; Butts Terrace, Horton Depot and Christie Miller Leisure centre/ Bowerhill depot. Although the Horton Depot has been identified within the depot strategy as holding the potential for decommissioning and disposal the acquisition of the new building will enable that action to be expedited.
5. The location of the proposed purchase will also provide a new potential operating base for other services in the County.

Background

6. The Exempt agenda includes advice concerning the proposed purchase. Independent expert advice has been sought to develop a purchase strategy. The recommended virement should be sufficient to cover the purchase price, associated costs in terms of professional fees and cover any immediate works needed so that service storage requirements are achieved.
7. If it is agreed to proceed to make an offer for the purchase it will be managed through the Council's asset management group in consultation with the cabinet member for Finance, Procurement, Transformation and Operational Assets. Similarly, the rationalisation and or development of council assets that are released will also be managed via the Council's asset management group.

Safeguarding Implications

8. None identified.

Public Health Implications

9. No significant implications have been currently identified.

Environmental and Climate Change Considerations

10. No significant implications have been currently identified. The proposal for delivery will seek engagement to ensure options are considered, although the building does have a B rated EPC suggesting the energy efficiency of the building is high.

Equalities Impact of the Proposal

11. No significant implications have been currently identified. This proposal will continue to seek engagement to ensure there are necessary measures to include an Equalities Impact Assessment.

Risk Assessment

12. It will be necessary to undertake due diligence in advance of the Council making an offer to purchase. The exempt agenda includes professional advice concerning a purchase strategy.

Financial Implications

13. There will be one off costs to move the service storage to the new location that will be managed within existing budgets.
14. The Council has agreed a capital allocation of £10 million in its 2019/20 capital programme to fund commercial investment.

15. The revenue costs (interest and minimum revenue provision (MRP) associated with the cost of borrowing will be met from within existing revenue budgets.

Legal Implications

16. Legal implications identified to support acquisition of unit/accommodation proposed. Throughout this proposal, Legal will be consulted and engaged to ensure any additional implications are identified.

Options Considered

17. The Council could decide not to pursue the purchase of the identified property. This would prevent the Council expediting rationalisation of its existing estate and prejudice its ability to meet operational storage requirements. Therefore, this option is not recommended.
18. The Council could investigate the development of exiting assets to meet identified needs. Such an approach would still require decanting of current services requiring alternative provision and would also take longer to implement. Therefore, such an option is not recommended.
19. The recommended option provides the most expedient way to meet operational needs and estate rationalisation.

Conclusions

20. To meet operational requirements and make best use of the Council's assets it is recommended to vire up to £1.250 million from the £10 million commercial investment capital allocation in the 2019/20 capital programme to enable an offer to be made to purchase a suitable property.

Alistair Cunningham
Executive Director of Growth, Investment and Place

Report Author: Simon Hendey, Director Housing and Commercial Development
Becky Hellard, Director Finance and Procurement.

Background Papers

None

The following unpublished documents have been relied on in the preparation of this report:

None

Appendices

None

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