

**Wiltshire Council**

**Full Council**

**17 October 2023**

---

**Capital Programme additions and amendments to the Revenue Net Budget**

---

**Summary**

This report sets out the recommendations from the Financial Year 2023/24 - Quarter One Revenue Budget Monitoring report and Financial Year 2023/24 - Quarter One Capital Budget Monitoring report approved by Cabinet at their meeting on 12 September 2023. These recommendations add the necessary budgets, with associated funding, to the Capital Programme to support the delivery of additional education provision in the north of the county and will amend the Council's net budget to reflect the increased retained share of funding from Business Rates and additional Government Grant funding.

**Proposals**

Cabinet recommends to Full Council to approve:

- a) the allocation of a £4.4m budget for Education provision in the North of the County to be funded by a mix of capital receipts, earmarked reserves and £1.7m of new borrowing.
- b) to move the £0.382m income budget associated with saving from increased retained share of funding from Business Rates for Council Assets from Assets to the Business Rates Retention Scheme in the Funding section; and
- c) to increase the Government Grants budget in Funding to recognise the additional Market Sustainability Improvement Fund of £2.773m and increase the net budget in Adults by the same amount.

Proposals b) and c) above will increase the Council's Net Budget to £469.029m

**Reason for Proposal(s)**

To inform effective decision making and ensure sound financial management as part of the Councils overall control environment.

To request Full Council approval additions to the Capital Programme to support the Councils future activity in delivering the Business Plan priorities.

**Terence Herbert**  
**Chief Executive**

**Wiltshire Council**

**Full Council**

**17 October 2023**

---

## **Capital Programme additions and amendments to the Revenue Net Budget**

---

### **Purpose of Report**

1. To request Full Council approve additions to the Capital Programme to deliver additional education provision in the north of the county and to increase the council's Net Budget to reflect additional grant funding and realign the budget for the increased share of retained Business Rates funding.

### **Relevance to the Council's Business Plan**

2. Financial reporting supports effective decision making and the alignment of resources and financial performance to the Council's priorities and objectives as laid down in the Business Plan.

### **Main Considerations for the Council**

3. Reports have been considered by Cabinet at their meeting on 12 September 2023 and approval given to recommend that Full Council increase the council's Net Budget and to increase the Capital Programme, that impact on the Council's funding and resources and the detail for these specific proposal recommendations are included in the paragraphs below.

### **Capital Programme Additions**

4. The Council is in negotiation to acquire new education provision in the north of the county. It is proposed to be funded by a mix of capital receipts, earmarked reserves and £1.7m of new borrowing. Initially the property would be used to provide education for 50 children who are unable to attend mainstream or specialist schools. This is called Alternative Provision (AP).
5. Section 19 of the Education Act 1996 states that 'Each Local Authority shall make arrangements for the provision of suitable education at school or otherwise than at school for those children of school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless such arrangements are made for them.' A procurement exercise is planned to facilitate a registered AP provider to take students from January 2024. The property use would be extended in later years to include a range of vocational skills for learners.
6. There is considerable demand for offsite placements by schools and the LA for

pupils on a short-term basis for the purposes of improving the pupils' behaviour to prevent permanent exclusion and reduce the need for multiple or long-term suspension from school. This demand has increased in recent years. Lack of sufficiency means that a significant number of pupils are suspended from school when the school might otherwise arrange AP for the learner at an earlier stage and prevent further escalation into more specialist high needs provision and pressure on the high needs block of the dedicated schools grant. This acquisition is expected to deliver significant reduction in the current annual deficit of the high needs block.

### Revenue Net Budget

7. As part of the budget setting process for 2023/24 a saving was approved that reflected the increased retained share of funding from Business Rates for Council Assets. This saving is forecast to be achieved by the Council but due to the way it is accounted for the actual income is reported under Funding and not in Assets within the Corporate Director of Resources area of responsibility. It is requested that the budget for the income is moved from Assets to Funding (Business Rates Retention Scheme). This will increase the council's overall Net Budget but is fully funded by the additional income from Business Rates and therefore increases the council's Funding budget.
8. On 28 July 2023 the government announced the Market Sustainability and Improvement Fund – Workforce Fund. There will be a further £570m of ringfenced funding given across 2023/24 and 2024/25 to local authorities to improve and increase adult social care provision, with a particular focus on workforce pay. This additional funding will support more workforce and capacity within the adult social care sector. Funding is expected to have the same flexibility as the Market Sustainability and Improvement Fund we already receive to meet local pressures. Wiltshire Councils allocation is £2.773m and it is requested to increase the budget in Adult Services to reflect the expected additional costs. The impact of this is an increase to the council's overall Net Budget but is fully funded by the additional grant income and therefore increases the council's Funding budget.

### Overview & Scrutiny Engagement

9. The Cabinet reports were considered by the Financial Planning Task Group on 7 July 2023 and will be considered by Overview and Scrutiny Management Committee at its meeting on 26 July 2023.

### Safeguarding Implications

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

### Public Health Implications

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

### **Procurement Implications**

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

### **Equalities and diversity impact of the proposals**

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

### **Environmental and Climate Change Considerations**

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

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

15. The Council will be exposed to unmanaged rising demand and therefore increased costs associated with providing offsite placements for pupils on a short-term basis for the purposes of improving the pupils' behaviour to prevent permanent exclusion and reduce the need for multiple or long-term suspension from school.
16. In addition, if the approvals for amending the council's Net Revenue Budget do not proceed the Council will continue to present forecast variances in Adults Services, Assets and Funding budgets due to the allocation of the budgets.

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

17. The Council will be undertaking an increased level of borrowing to enable the acquisition of new education provision in the north of the county which will result in additional revenue costs to fund the borrowing. The provision is expected to deliver a significant reduction in the current annual deficit of the high needs block. Although this deficit is currently within the Dedicated Schools Grant there is a risk that government will cease the statutory override that ring-fences the deficit and the council will need to pick up this significant financial liability.

### **Financial implications**

18. The financial implications were set out in the Cabinet reports.

### **Legal Implications**

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

### **Workforce Implications**

20. No workforce implications have been identified as arising directly from this report. Capacity to undertake the activity to meet the delivery of the capital programme are either met within existing resources or may be allocated to capital budgets to support the effective and timely delivery of the schemes.

## **Options Considered**

21. Not to proceed with the acquisition for additional education provision will result in unmanaged rising demand and therefore increased costs which is not a sustainable option for the council.
22. Not proceeding with the amendment to the council's Net Revenue Budget to reflect the additional grant funding and realign the budget for the increased share of retained Business Rates funding will result in forecast variances in Adults Services, Assets and Funding during the year, which is misleading and therefore rejected.

## **Conclusions**

23. The proposal in this report funds additional education provision in the north of the county and realigns budgets to reflect increased funding the council will receive this year and has been approved by Cabinet.

**Andy Brown Corporate Director of Resources and Deputy Chief Executive  
(S151 Officer)**

---

Report Authors:

Lizzie Watkin, Director of Finance & Deputy S.151 Officer

[lizzie.watkin@wiltshire.gov.uk](mailto:lizzie.watkin@wiltshire.gov.uk)

## **Appendices**

None

## **Background Papers**

Cabinet 12 September 2023

Agenda Item 6 - Financial Year 2023/24 – Quarter One Revenue Budget Monitoring

Agenda Item 7 - Financial Year 2023/24 – Quarter One Capital Budget Monitoring

[\(Public Pack\)Agenda Document for Cabinet, 12/09/2023 10:00 \(wiltshire.gov.uk\)](#)