

WILTSHIRE COUNCIL

Overview and Scrutiny Management Committee – 31 January 2019

Cabinet – 5 February 2019

Council – 26 February 2019

Subject: Wiltshire Council's Financial Plan Update 2019/20

Cabinet Members: Councillor Baroness Scott of Bybrook OBE- Leader of the Council
Councillor Philip Whitehead - Cabinet Member for Finance,
Procurement, ICT and Operational Assets

Key Decision: Key

EXECUTIVE SUMMARY

The report updates members on the 2019/2020 Budget, Medium Term Financial Strategy.

The report sets out, for approval by cabinet, the budget setting proposals and gives the details that feed into the budget setting reports.

Reasons for Proposals

To enable the Council to:

- Set its revenue and housing revenue accounts budgets and levels of reserves and Council Tax for the financial year 2019/20;
- Provide the Council with a strong financial plan for sustainable delivery of services in 2019/20; and
- Provide the Council with a Medium Term Financial strategy to drive long term financial sustainability and delivery of the business plan.

PROPOSALS

It is proposed that Council:

- a. Endorses the update of the Financial Plan for 2019/20;
- b. Approve the growth and savings proposals summarised in the report to provide a net revenue budget for 2019/20 of £332.378 million

- c. To vote separately:
- i. Set the Council's total net expenditure budget for 2019/20 at £332.378 million;
 - ii. Set a Council Tax increase of 2.99%;
 - iii. Agree delegated changes in fees and charges as set out in Section 41;
 - iv. Set a 1% reduction for social dwelling rents;
 - v. Set the Housing Revenue Account (HRA) Budget for 2019/20 as set out at Appendix D of this report; and
 - vi. That all service charges related to the HRA be increased to recover costs, capped at increase of £5 for those not on housing benefits and garage rents increased by 3%.
- d. Endorse the Medium Term Financial Strategy and receive regular updates on delivery against strategy to Cabinet.

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Wiltshire Council

Overview and Scrutiny – 31 January 2019

Cabinet – 5 February 2019

Council – 26 February 2019

Subject: Wiltshire Council's Budget Strategy & Initial budget Proposals 2019/20 onwards

**Cabinet Members: Councillor Baroness Scott of Bybrook OBE- Leader of the Council
Councillor Philip Whitehead - Cabinet Member for Finance, Procurement, ICT and Operational Assets**

Key Decision: Key

Purpose of Report & Background

1. This report sets out an indicative Medium Term Financial Plan (MTFP) to highlight expenditure and income from 2019/20 to 2023/24.
2. This report sets out an updated Financial Plan that covers the five years 2019-24. It reflects the current Government funding announcements and is attached at Appendix A to this report.
3. This Council's strategic aims and priorities drive the medium term financial planning process, with changes in resource allocation determined in accordance to policies and priorities. A key focus for the Council is to ensure a strong sustainable financial base exists in these challenging times.
4. The key changes reflect the revised forecast for the increasing demand for care for the vulnerable, including adults and children with complex care needs and special educational needs and the delay in Government determining a new fairer funding settlement.

Delivering the Council's priorities

5. The Service Planning process for 2019/20 and future years is currently being undertaken alongside the development of the MTFP to ensure that the Corporate Priorities are expressed in financial terms in the MTFP and all the priorities are fully resourced. The Service Planning process links service activity to the council's Business Plan ensuring that activity is planned against all the council's stated strategic objectives.
6. Major strategic projects have been mapped against the council's business and financial plans. Potential national and international developments have also been taken into account and, where appropriate, new risks assessed.

7. The council's 2017-27 Business Plan sets its vision of strong communities, underpinned by our priorities which have continued to provide a focus for delivery over the last year, with highlights as follows:

1. Growing the economy

A new local plan is currently being developed that will consider a number of strategic sites across the county for the development of homes. In addition, a specific bid has been developed and submitted to the Housing Revenue Account for borrowing approval to develop 49 new homes, additional funding secured from Homes England, replacement of streetlights approved and the opening of a new science park taken place in Porton. A new Swindon & Wiltshire Careers Hub is being established, made up of 40 local schools and colleges working together with universities, training providers, employers and career professionals to improve careers education. Support continues to be provided for south Wiltshire following the events of 2018.

2. Strong communities

The council has completed a significant Community Working Review. The resulting action plans provides a focus on continuing and significant devolution of assets and service to communities. Transfers of packages of assets and services to town and parish councils continue through area boards and the process is supported by a new policy from November. Last year volunteers devoted over 12,200 hours of their own time to support local communities and services helping to make Wiltshire a better place to live.

A new waste and recycling contract is in place and working with local communities the council is taking steps to keep local environments clean, tidy and free from rubbish. Locally run annual Spring Clean-ups have been extremely successful with thousands participating and collecting 33.8 tonnes of waste. The council is committed to meeting the national target of 50% of household waste being recycled or composted by 2020, and has recently increased the materials for collection that can now be recycled. The county is well on course to meet the target.

New or enhanced leisure facilities have been provided to a number of communities across Wiltshire.

Work with the local government boundary commission for England has seen the number of councillors for Wiltshire in 2021 confirmed as 98.

Plans are also well advanced for a successful National Armed Forces weekend in Salisbury in 2019.

3. Protecting those who are most vulnerable.

The Adult Social Care Transformation Board has expanded its priorities to include a second phase which will focus on mental health and learning difficulties. The Board has expanded its membership and is working across a multi-agency agenda to

improve outcomes for the residents of Wiltshire. A new reablement team is helping to reduce hospital admissions and enable smooth transfers of care.

The Council's Adult Services are being supported by a joint commissioning team, led by a new Director of Commissioning who started in spring 2018, that also support Children's services. The new joint service has worked with local providers to create a new framework, helping to shape the market, for providing Help to Live at Home services which went live in Autumn 2018

Specific needs across the county are being reviewed in a Bed Audit of specialist care. Once complete the audit will inform a new county-wide accommodation strategy expected in Spring 2019.

Wiltshire Council also secured £312k to help the homeless through rough sleeping outreach teams and the council's public health and social care teams have raised awareness of alcohol abuse and worked with individuals affected to provide help and support. This has seen a fall in alcohol-related hospital admissions from 550 to 425 per 100,000 people in a year.

4. Working with partners as an innovative and effective council

The LGA peer review and associated action plan was published, which recognised

- strong and accessible political leadership which sets a clear direction
- stakeholders know what we stand for, how it goes about our business and what our plans are
- the new Business Plan sets out an ambitious agenda for the next 10 years and there remains a resolute focus on 'strong communities'
- a committed workforce - all staff that the team met told them that Wiltshire Council is a great place to work; that they feel valued, are developed to undertake their roles and feel supported to progress their careers
- evidence of a very impressive approach to staff engagement throughout the organisation from frontline staff to senior leaders
- a very good recovery in children's services since a disappointing Ofsted inspection in 2012

In line with recommendations, the commercialism and digital agendas are now supported by new strategies and new staff including Directors of Growth & Investment and for Digital. There's an acceptance that furthering the council's ambitions in these areas may require recruiting staff with specific skills and expertise. Microsoft have been awarded a long-term contract to work in partnership with the council in order to build capacity to deliver long-term cultural and technical change. Work is already underway in a number of areas.

Medium Term Financial Strategy and Plan

8. As part of our strong financial management the Council has a Medium Term Financial Plan that is updated annually as part of the process of setting the Council Tax levels. The Medium Term Financial Strategy (MTFS) sets out both the process and assumptions in aligning the council's financial resources with its business plan.
9. Movements in future years can be summarised in the table below:

	2019/20	2020/21	2021/22	2022/23	2023/2024
	£m	£m	£m	£m	£m
Opening Position	327.746	332.378	341.235	350.875	360.803
Approved Growth	44.815	28.894	22.001	23.625	25.274
Savings Required	(27.290)	(25.004)	(13.361)	(14.697)	(16.046)
Changes in Grants	(12.893)	4.967	1.000	1.000	1.000
Closing Position	332.378	341.235	350.875	360.803	371.031

10. A detailed MTFS is attached at Appendix A, with a 2019/20 high level summary in Appendix B.

Council Tax calculation

11. The overall position for 2019/20 is reflected in this report:

2018/19 Revised Base Budget	327.746
Plus	
Net demand and inflation	44.815
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Additional spending requirements	372.561
Less	
<i>Net Savings & Income</i>	(27.290)
Net movement in other grants	(12.893)
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Net budget requirement	332.378
Financed by	
Social Care Levy	(18.417)
RSG/ Formula Grant	0.000
Rates Retention	(58.500)
Collection Fund Surplus	(2.881)
Amount to be found from the Collection fund through Council Tax	(252.580)
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Gap remaining	0.000
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Medium Term Financial Strategy and Plan by Division for 2019/20

	Adult Care & Public Health Services	Children & Education Services	Growth, Investment & Place Services	Corporate	Total
	£m	£m	£m	£m	£m
2018/19 Revised base Budget	143.571	76.137	103.648	4.390	327.746
Growth	18.607	5.699	8.973	0.625	33.904
Prior Year Savings to be delivered	2.054	0.400	0.485	1.737	4.676
Pay award	1.467	2.501	2.236	0.031	6.235
Savings	(16.605)	(4.994)	(4.941)	(0.750)	(27.290)
Pay award	(3.490)	(0.750)	0.018	(8.671)	(12.893)
2019/20 Budget	145.604	78.993	110.419	(2.638)	332.378
% Change	1.42%	3.75%	6.53%	-160.09%	1.41%

Growth and challenges to our spending

12. At present, the scale of cost pressures facing the Council is more than the projected increase in income.
13. The reason we recognise investment, growth and pressures is so that we understand the scale of the task. If a service had the same cash budget as the previous year, that service would still have to make savings to standstill as pay costs or contract prices may have risen.
14. There are significant cost pressures arising from changing demographics and a growing population. These leads to an increase in demand for adult and children services, as well as other services across the Council.
15. This results in a gross funding requirement in 2019/20 to meet all of these challenges of £44.815 million. Looking ahead the growth and pressures on spend will continue at similar levels; however, as set out below the adult and children's transformation programmes are expected on an escalating scale to cover annual pressures, and look to absorb costs. Other programmes around community responsibility, digital and commercial will address the other pressures. As such the planned investment for future years is:

<i>MTFS Financial Model</i>	2019/20	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m
Revenue Investment					
Adult Care	18.514	12.410	8.734	9.237	9.770
Elections	0.093				
Children & Families	5.699	4.397	4.154	4.913	5.788
Economy & Development	0.500	0.000	0.000	0.000	0.000
Waste contract management and increased demand	4.998	1.184	1.219	1.256	1.293
Highways	1.513	0.900	0.900	0.900	0.900
Transport	0.330	0.330	0.330	0.330	0.330
Car Parks	0.564				
ICT	0.300	0.300	0.300	0.300	0.300
SAFM	0.768	0.300	0.300	0.300	0.300
Corporate growth					
Staffing - pay & apprenticeships including pay differentials	6.235	4.229	4.358	4.487	4.622
Prior Year savings to be made	4.676	0.000	0.000	0.000	0.000
Funding changes	0.625				
Pension Backfunding	0.000	0.570	0.627	0.690	0.759
Capital Financing to fund capital programme	0.000	4.274	1.079	1.212	1.212
Total Growth	44.815	28.894	22.001	23.625	25.274

Adult Social Care

16. Overall the forecast shows the increased cost pressures including care services for older people, allowing for the National Living Wage but excludes adults with education and learning disabilities for 2018/19 is £18.514 million, including disabilities and those transferring from children to adult care
17. Inflationary increases for residential and nursing block contracts and framework agreements are based on a mix of CPI, BMI and Health & Social Worker Earnings factor and for 2019/20 this equates to 4.464% which is a material increase from previous years (2018/19 - 1.822% and 2017/18 – 0.396%). The total growth required for inflation in 2019/20 equates to £4.87 million.
18. Demographic growth based on ONS predicted growth is 2.4%. This equates to £2.870 million.
19. Historically the levels of growth provided to fund demographic growth fell short of the actual growth in client numbers which resulted in a pressure of £8.898m which has been addressed as part of the MTFS.

20. However, it is important to note, that additional savings have been identified to address the majority of this growth and the net growth being provided is 1.42% which equates to £2.033 million.

Childrens & Families

21. Inflation on in house carers has been estimated at 2% and contract inflation on external providers at 2.97% as per contractual arrangements. The total growth required for inflation in 2019/20 equates to £0.792 million.
22. Demand and demography across the childrens services has increased due to the following:

Looked After Children

- Looked After Children numbers are rising nationally and locally, this is within a context of increasing awareness of child protection and improved safeguarding arrangements. Parental/adult needs have been increasing including drug and alcohol misuse, mental health and domestic abuse. Additional safeguarding issues have arisen in recent years related to Child Sexual Exploitation, County Lines, Female Genital Mutilation (FGM) and Honour Based Violence which have increased demand. Furthermore over 10% of our LAC population are unaccompanied Asylum Seekers.
- The Children and Families Act 2014 extended responsibilities to care leavers from the age of 21 to 25 years. Demographic growth across social care equates to £1.200 million.

SEND

- Demography is rising due to a number of factors:
 - Numbers of children with EHCPs is rising both nationally and locally
 - The 0-25 years offer established in the 2014 Children and Families Act means young people with SEND receive services for longer
 - Improvements in medical treatment for children & young people
 - Military families returning to Wiltshire from June 2019
 - Increased planned housing development in the County
 - SEN Transport costs are high in a rural county such as Wiltshire (This is an increase of £1.500 million).
 - Demographic growth based equates to £2.648 million.

Growth Investment & Place

23. Inflation on all major contracts for Waste, Highways, Passenger Transport, IT applications, Strategic Asset & Facilities Management and Business rates has been estimated as per contractual arrangements. Energy has been forecast to increase by 10%. The total growth required for inflation in 2019/20 equates to £3.364 million.

24. 2019/2020 sees some delivery challenges to service operation to ensure a more effective and commercial approach. These include moving from Council owned and maintained winter maintenance fleet to a fully repairing revenue lease, expansion of the HRA Direct Labour Operatives, development of a Local Housing Company and Local Development Company and continuation of the Service Devolution and Asset Transfer programme.
25. The new Waste contracts which commenced on 30 July 2018 will be fully operational in 2019/2020 this will have the effect that the full year impact of the increased costs will be borne. A materials recovery facility will be built in Wiltshire which will sort mixed recyclable materials before they are sent for re-processing. The Waste budget will be increased by £3.363 million to allow for these changes and forecast changes in tonnes of waste and recycling to be collected.
26. Growth of £1.064 million has been included alongside new funding allocated from Government to revitalise and support town centres and highstreets and to deliver a more locally driven street scene service. The programme will see a focus on local community priorities and deliver improvements to local highway maintenance including repair of potholes, improve white lining, gully (drain) emptying, kerb and pavement improvements, verges and street signage. An enhanced weed control and Town sweeping service will improve the overall aesthetic of the county to benefit the local community and businesses. Alongside this free Sunday car parking will be introduced.
27. South Wiltshire Recovery team will continue to develop and implement a programme of work to ensure the recovery and revitalisation of South Wiltshire. This includes new capital developments at the Maltings and the enhancement of the cultural quarter in Salisbury and further development of Porton Science Park and Boscombe Down to boost the economy and provide skilled jobs. Major events have been planned to raise the profile of South Wiltshire including the OVO cycling event and Armed Forces Day National Event.
28. Growth of £0.500 million has been allocated to meet evidential and procedural requirements set out in national policy and legislation for the review of the Wiltshire Core Strategy and minerals and waste planning policies. This will support the delivery of an up to date planning framework to ensure the homes, jobs and infrastructure needs of Wiltshire's communities can be met, and in turn promote investment in the County and the ability to capitalise on wider funding e.g. new homes bonus, business rates, community infrastructure levy etc.

Pay and related costs

29. The cost of implementing this new pay and grading model together with the anticipated incremental progression will be £4.885 million and the associated increase in the cost of employer pension contributions will be £1.350 million. As a result of the completion of negotiations with the trade unions the additional cost of implementing the new pay and grading model has been built into the 2019/20 budget plan. There is also a financial impact for schools.

30. There are approximately 4,100 permanent support staff roles in maintained schools, and the majority of these staff fall within Grades A to I, which will incur the greatest financial impact from implementing the nationally negotiated 2019 pay award.

Funding

31. The Council draws its funding from two main sources – local taxation and Government grants. The main areas of Government grant are:

- Revenue Support Grant (RSG);
- Baseline Funding - Business Rates Retention Scheme (BRRS); and
- Additional ring fenced grants, such as Public Health.

32. The funding increase expected in 2018-24 is as follows

<i>MTFS Financial Model</i>	2018/19 Approved Financial Plan	2019/20	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m	£m
Income / Funding						
Recurring Funding						
Council Tax Requirement	(240.033)	(252.580)	(260.182)	(268.014)	(276.080)	(284.390)
Social Care Levy	(18.417)	(18.417)	(18.417)	(18.417)	(18.417)	(18.417)
Rates Retention	(55.700)	(58.500)	(60.255)	(62.063)	(63.925)	(65.843)
Collection Fund	(5.546)	(2.881)	(2.381)	(2.381)	(2.381)	(2.381)
Non-Recurring Funding						
RSG/ Formula Grant	(8.050)	0.000	0.000	0.000	0.000	0.000
Total Funding	(327.746)	(332.378)	(341.235)	(350.875)	(360.803)	(371.031)

33. The MTFS assumes that there will be no real changes to the current four-year financial settlement 2016-20.
34. The Government is currently reviewing local government funding and the localisation of National Non-Domestic Rates (NNDR or Business Rates). A consultation is expected this year. The aim of the review recognises that the way local authorities receive government funding is over a decade old, and a new baseline for funding allocations to local authorities based on an up-to-date assessment of relative needs and resources, using the best available evidence. At this stage no change has been made to the Medium Term Financial Plan given the uncertainty of the outcome of Government's review. The Council will continue to be updated of any changes, which at this stage are forecast to occur in 2020

Level of savings

35. The council's financial plan identifies a need to find £27.290 million of savings in 2019/20. As part of the process of setting the budget managers have been assessing their budgets. The savings have then been split between those where officers have authority to take actions within the existing Council Policy Framework and processes termed service decisions (this includes consultation where appropriate with the public and / or Trade Unions and staff); and those where decisions require a change in policy and approval by elected members. At this stage, the decisions for cabinet or Council have been taken, as set out below.
36. In summary, the savings are broken down as follows. A full list is included at Appendix C. This listing excludes the cross cutting savings

Description	£ million
Decisions already taken by cabinet / council	5.746
Service decisions	15.030
Member decisions	3.214
Cross cutting	3.300
Total	27.290

37. The savings proposals have been classified to align to the Business Plan and Medium Term Financial Strategy:

Description	£ million
Service Efficiencies	7.624
Transformation & Prevention Avoid Costs	7.264
Community Responsibilities	0.478
Commercial	3.773
Cabinet Decision Already Made	3.717
Digital	1.134
Cross cutting	3.300
Total	27.290

38. These savings have been assessed and considered realisable, although there may be some further movement in some as work progresses which means a small element could need to be found from other areas or reserves.
39. The Council remains prudent and an element of provision for non-delivery of savings has been provided for in the General Fund Reserves.

40. The Council has a number of transformation and change programmes focused on the priorities, including building strong connected communities and addressing the projected gap in funding. Going forward, there will be more focus on services working differently on future change programmes.

Fees and charges

41. As part of budget setting, it is assumed that most discretionary fees and charges have been increased on average by +5%. Other fees have been based on statutory national levels (where set by statute) or individual agreements.
42. It is proposed that detailed individual fees & charges are delegated to appropriate budget managers. A detailed fees and charges booklet will be published on the Council's website before the beginning of the new financial year.
43. Demand is mostly assumed to remain unchanged. All other fees and charges proposals are assessed as deliverable at this stage but will also be monitored throughout the year.

Dedicated Schools Grant (DSG)

44. The national trend is rising Education, Health & Care Plans (EHCPs) and that demand is mirrored in Wiltshire. Demography and Inflation for Education High Needs have been calculated in excess of £4.500 million for 2019/20. The Secretary of State has increased the funding by £1.128 million for 2019/20 and whilst this is most welcome, it does not address the total funding shortfall. With Schools Forum approval, Wiltshire has requested permission to transfer up to 1% of Schools Funding (£2.600 million) to the High Needs block from the Secretary of State. It is therefore proposed that Wiltshire ringfence an amount of £1.300 million which can be transferred to Schools Funding as a one-off contribution to show commitment to the needs of vulnerable pupils. Current reserves are under review with the intention to identify resources sufficient to offset this transfer. Schools Forum are working with officers on a wide range of plans to reduce the commitment on the high needs block moving forward and national lobbying on funding continues.

Housing Revenue Account

45. The Housing Revenue Account (HRA) is a separate account that all local authorities with housing stock are required to maintain by law. This account accumulates and reports all transactions relating to, or associated with, local authority-owned housing. It is ring fenced which means that money cannot be paid into or out of it from the General Fund. In addition, it is not legal to run a deficit on the account.
46. The 30-year business plan aims to deliver a substantial increase in the amount of money available to be invested in capital works on existing dwellings and to deliver new social housing to replace properties that have been sold under the Government's Right to Buy scheme.

Rent setting 2019/20

47. The effect in 2019/20 for Wiltshire Council following Government rent setting policy is to reduce the average formula or target rent by 1%. This equates to an average actual social rent reduction of £0.93 per week. This will now apply to all properties in 2019/20. For 2 bedroom properties, the average 2018/19 rent (social and sheltered) was £87.59 per week (52 week rent) which will fall to an average of £86.88 for 2019/20. For 3 bedroom properties, the fall would be from £95.38 to £94.53.

Garage rents and service charges 2018/19

48. It is proposed to increase garage rents by 3% (CPI as at September 2018).
49. It is proposed that service charges are increased to recover costs, but capped at no more than £5 per week increase for those not on housing benefits.

Budget impact

50. Details of the revised budget are shown in Appendix 4.

General Fund Reserves

51. A key part of the Council's Medium Term Financial Strategy is holding appropriate levels of reserves to minimise risk of unmanageable overspends without tying up funds unnecessarily and also provide resources for specific projects, such as transformation changes.
52. The council's reserves are currently at £12.943 million (4% of net spend). This level has been externally verified by external auditors as adequate. However, we would look to increase this should funding allow for it in the future.
53. Our earmarked reserves including items such as schools and PFI are fully committed.
54. A significant reliance on reserves would not be a sustainable strategy as reserves are one off funding and when used are gone forever.
55. Government's review. The Council will continue to be updated of any changes, which at this stage are forecast to occur in 2020

Budget Assumptions

Interest Rates

56. Investment income returns are budgeted at 1% for 2019/2020. The cost of borrowing for Wiltshire Council is 3.75%, however the average cost of new borrowing would be 3.1% (assume 25 year PWLB rates).

Inflation.

57. The Consumer Price Index (CPI) measure of inflation has been falling from a peak of 3.1% in November 2017 to 2.4% in October 2018. In the November Bank of England quarterly inflation report, inflation was forecast to still be marginally above its 2% inflation target two years ahead, (at about 2.1%), given a scenario of minimal increases in Bank Rate. This inflation forecast is likely to be amended upwards due to the Bank's inflation report being produced prior to the Chancellor's announcement of a significant fiscal stimulus in the Budget.

Budget pressures and delivery of 2018/19 budget

58. The delivery of the 2018/19 budget is monitored closely and Cabinet received regular updates on its revenue, capital, schools and housing budgets. The timing and level of transparency of these reports has again significantly improved throughout the year. Actions to mitigate service pressures have been taken throughout the year.
59. The latest forecast at Period 9 (December 2018) as set out at cabinet on 5 February agenda reports forecast year-end break-even budget, after appropriate action. It remains vitally important that all approved savings plans are delivered as not delivering services would add to the level of savings required in 2019/20 budget setting process.

Business Risks

60. As discussed in the growth section above, there are significant cost pressures arising from changing demographics and a growing population. These leads to increase demand for adult and children services, as well as other services across the Council.
61. The delivery of savings continues to remain a major risk. Regular monitoring and reporting is in place to mitigate against this. The size of the budget savings has increased the risk, and any non-achievement would require in year compensating savings to be identified.
62. Many of the saving proposals include service transformation. This will be closely reviewed and monitored to identify both cost and performance implications of the changes
63. The outcome of the European Union Referendum, together with other global financial issues, will have financial implications. These will be closely monitored and considered. It is too early to estimate the full extent of any financial impact arising from these changes.
64. There is still uncertainty in the overall Local Government finance position. The government has promised to consult on a fairer funding model for local government. This included business rates retention, changes to new homes bonus, reductions in ring fenced grants and possible new burdens. This means the Council faces a challenging time in balancing the budget and developing the medium term financial strategy.

65. Service changes has meant that in some areas the capacity to deliver future changes will need to be closely monitored.

Consultation

66. The council carried out informal consultation inviting the public of Wiltshire to attend a series of public events - Focusing on the Future - that took place throughout November and December 2018 in Devizes, Chippenham, Trowbridge and Salisbury.
67. Around 700 people attended these events to hear about our plans to implement changes so that the services that taxpayers expect can continue to be implemented. The focus included an update of the challenges we face, along with the large change programmes that are required. These include a shift to digital self-serve, community devolution of local services and the future provision of adult and children's care services.
68. The final session held in Salisbury was livestreamed via our [Facebook page](#) and attracted almost 900 views and interactive participation via questions from the public.
69. The issues of importance raised by the public were mainly environment, place and roads.
70. Budget proposals for 2019/20 will be publicised and published on the website along with the meeting dates for cabinet and council.

Fairness, Equality & Diversity

71. The Council's budget planning framework is supported by the development of Equality Impact Assessments (EIAs) for the budget proposals, identifying possible disproportionate impact in relation to the protected characteristics as described within the Equality Act 2010. The EIAs will also identify potential mitigation where applicable
72. The Council maintains its strong commitment to equality, believing that all groups and individuals within the community and its workforce have equal opportunity to benefit from the services and employment it provides. EIAs help the Council to arrive at informed decisions and to make the best judgements about how to target resources.
73. Consultations are held in January and February. These include schools forum, housing board, overview and scrutiny management committee, and Financial Planning task group. Detailed feedback will be taken to full Council.

Conclusions

74. The Council's 2019-24 Medium Term Financial Plan and the budget for 2019/20 set a clear direction for the coming years, and the budget proposals within that are robust. The Council is assessed as financially viable with sound and strong financial standing.

Overview & Scrutiny Engagement

75. The proposals will also be subject to review and scrutiny by a range of stakeholders, including elected members through the overview and scrutiny process, Trade Unions through meetings with them; Housing Panel's consideration of the HRA proposals and Schools Forum consideration of the Dedicated Schools Grant changes.

Safeguarding Implications

76. 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

77. Changes in public health grant are included in this report to set public health base budgets.

Procurement Implications

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

Environmental and Climate Change Considerations

79. The plan and budget have been developed to support strong, resilient communities in Wiltshire.

Financial implications

80. This is the subject of the report. In accordance with Section 25 of the Local Government Act 2003 and CIPFA Code of Practice, this section of the report sets out the Section 151 Officer's assessment of the major areas of risk in the 2019/20 base budgets / Medium Term Financial Plan, and recommended budget options. It is presented in order to provide elected members with assurances about the robustness of assumptions made, and to assist them in discharging their governance and monitoring roles during the forthcoming year.

Legal Implications

81. The Monitoring Officer considers that the proposals fulfil the statutory requirements set out below with regard to setting the amount of Council Tax for the forthcoming year and to set a balanced budget. This report meets those requirements.
82. The legislation that governs local government is changing significantly and the business plan will be kept under review to see if changes are needed as the changes in legislation are made available and clarified.

HR advice

83. The Council has had good negotiation and consultation relationships with the trade unions and negotiated revised terms and conditions in 2014. The pay increment was lifted as part of those negotiated terms and has been built into the base budget, and this as well as the pay inflation and other associated costs have been included within the base budget assumptions, in line with the national pay negotiations and agreement.

Proposals

84. It is proposed that Council:
- a) Endorses the update of the Financial Plan for 2019/20;
 - b) Approve the growth and savings proposals summarised the report to provide a net revenue budget for 2019/20 of £332.378 million;
 - c) To vote separately:
 - i) Set the Council's total net expenditure budget for 2019/20 at £332.378 million;
 - ii) Set a Council Tax increase of 2.99%;
 - iii) Agree delegated changes in fees and charges as set out in Section 41;
 - iv) Set a 1% reduction for social dwelling rents;
 - v) Set the Housing Revenue Account (HRA) Budget for 2019/20 as set out at Appendix D of this report;
 - vi) That all service charges related to the HRA be increased to recover costs, capped at increase of £5 for those not on housing benefits and garage rents increased by 3%; and
 - d) Endorse the Medium Term Financial Strategy and receive regular updates on delivery against strategy to Cabinet.

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Appendices:

Appendix A: MTFS Financial Model 2019-24

Appendix B: 2019/20 High Level Summary

Appendix C: Summary of saving proposals

Appendix D: Housing Revenue Account (HRA) Budget