

Cabinet

MINUTES EXTRACT OF THE CABINET MEETING HELD ON 31 JANUARY 2023 AT COUNCIL CHAMBER - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

6 Wiltshire Council's Budget 2023/24 and Medium Term Financial Strategy 2023/24-2025/26

Councillor Nick Botterill, Cabinet Member for Finance, Development Management and Strategic Planning, introduced the report which proposed the 2023/2024 Budget and Medium-Term Financial Strategy (MTFS) 2023/2024 to 2025/2026. The report also set out the Council's Capital Programme 2023/24 to 2029/30, the Housing Revenue Account (HRA) budget 2023/24 and the Dedicated Schools Grant (DSG).

Councillor Botterill noted that the council and country was facing unprecedented times, with inflation at levels not seen for four decades, escalating costs to contracts of up to 20%, high energy prices, and continuing impacts from Covid-19. The council had faced a notional overspend of approximately £45m, but through a sound financial base and necessary decisions in preceding years including transformations and organisation changes, was able to present a balanced budget proposal encompassing the next three years.

He stated the proposal did not rely drawing upon reserves, which would be increased overall over the three years, with others released to support Business Plan priorities. He stated there had been some extra government funds relating to social care, but other direct grants had been removed, and was not relying on deferring capital expenditure. He provided details of proposed council tax rises over the next three years, and the careful analysis undertaken before recommending them, and the fees and charges increases where it was deemed necessary and where good value for money was provided.

Colin Gale had submitted questions on behalf Rushall Parish Council and the Pewsey Community Area Partnership, regarding the recovery of costs for elections from town and parish councils, and the use of the Rural Mobility Fund, respectively. Written responses were provided with the questions as detailed in Agenda Supplement 1.

Colin Gale asked a supplementary question regarding communication sent to parish councils. He criticised the effect on small parishes, and believed there could have been consultation through the Area Boards.

The Leader responded that as a budgetary matter the issue would be determined by Full Council and Area Boards were not an appropriate method of consultation. A response would be provided after the meeting regarding communication with parishes.

Colin Gale also asked a supplementary question regarding the Rural Mobility Fund, asking how savings would be achieved through maximising the geographic area. Councillor Caroline Thomas, Cabinet Member for Transport, Streetscene, and Flooding, provided a response that maximising the area for demand responsive transport could reduce the schedule for bus services particularly affected by inflation. She stated it was about a more efficient use of limited resources, responding to requests rather than laying on services which may be empty.

Councillor Graham Wright, Chairman of the Overview and Scrutiny Management Committee, addressed the Cabinet regarding questions raised at the meeting of his Committee on 24 January 2023, with the report of the meeting included in Agenda Supplement 1.

Councillor Gavin Grant, Vice-Chairman of the Financial Planning Task Group, noted the thorough examination of the budget and council finances during the year by the Task Group, and planned to review the arrangements for budget scrutiny to ensure it was as effective as possible. The Leader noted the troubles faced by councils without effective financial scrutiny, and would await any outcome from a review by Overview and Scrutiny of its arrangements. He commented on the difficulty scheduling all the necessary meetings within the available timescales.

Councillor Botterill also provided details of a small update to Appendix 1 Annex 7 of the budget papers regarding £0.150m saving for cessation of support to VisitWiltshire. To ensure a smooth transition the saving would be delivered at the end of the contract in March 2024, so the saving would be delivered in the financial year 2024/25, not 2023/24. To manage the financial impact an underspend within Place services would be set aside in 2023/24 to fund the later timing of the delivery.

Councillor Jon Hubbard asked for details on how much was expected to be raised from parish councils paying for the cost of their own elections, raising concerns that it might act as a disincentive for people to stand and have contested elections in some areas, as the parish would then be liable for the cost of the subsequent election, and was not supportive of the proposal. The Leader responded that parishes bearing the cost of their elections was not uncommon and there had been a lot of discussion around setting the costs at a reasonable level, and that income was expected to be approximately £0.400k for 2025.

At the conclusion of discussion, it was then,

Resolved:

That Cabinet approves:

- a) That the current Infrastructure List, is updated and the existing reference to upgrades to Trowbridge Sports Centre is deleted and a new entry is included to read New Trowbridge Leisure Facility Project.**

That Cabinet recommends to Council:

- b) That a net general fund budget of 2023/24 of £465.372m is approved;**
- c) That the Council Tax requirement for the council be set at £332.187m for 2023/24 with a Band D charge of £1,719.90, an increase of £1.57 per week;**
- d) That the Wiltshire Council element of the Council Tax be increased in 2023/24 by the following:**
 - i. A 2.99% general increase;**
 - ii. Plus a levy of 2% to be spent solely on Adult Social Care;**
- e) That the Extended Leadership Team be required to meet the revenue budget targets for each service area as set out in Appendix 1 to this report, for the delivery of council services in 2023/24;**
- f) That the Extended Leadership Team be required to deliver the revenue savings plans for each service area as set out in Appendix 1 to this report, over the three-year MTFS period 2023/24 to 2025/26;**
- g) That the changes in the fees and charges as set out in the report are approved;**
- h) That the Capital Programme 2023/24 to 2029/30 is approved;**
- i) That the Capital Strategy set out in Appendix 2 is approved;**
- j) That the Housing Revenue Account (HRA) budget for 2023/24 is set at £26.401m;**
- k) That a 7% increase is set for social dwelling rents, except for rents currently over the formula rent which will be capped at formula rent as per national guidance;**
- l) That all service charges related to the Housing Revenue Account (HRA) to cover costs and garage rents are increased by 5%;**
- m) That the Medium Term Financial Strategy and the forecast balanced budget over the MTFS period 2023/24 to 2025/26 is endorsed.**

Reason for Decision:

To enable the Cabinet to recommend to Council a balanced revenue budget for the financial year 2023/24 and to set the level of Council Tax.

To enable effective, transparent decision making and ensure sound financial management as part of the council's overall control environment.

The Cabinet also sets out the final assumptions being used in the budget for growth, inflation, demand for services, the estimated level of income from sales, fees and charges and the level of income estimated from core funding e.g. Council Tax, Business Rates and government grants as well as the level of reserves held and assessed by the council's Section 151 Officer, as required, to provide future financial resilience.

This provides the council with a MTFS to deliver on the Business Plan priorities and drives long term financial sustainability.

7 **Treasury Management Strategy Statement 2023/24**

Councillor Nick Botterill, Cabinet Member for Finance, Development Management and Strategic Planning, presented the report which proposed the Treasury Management Strategy for 2023/24. The report included information about:

- Prudential and Treasury Indicators for the next three years
- Debt management decisions required for 2023/2024 that do not feature within the Prudential or Treasury Indicators (paragraphs 57 to 60)
- Minimum Revenue Provision Policy 2023/2024; and
- Annual Investment Strategy for 2023/2024

Councillor Graham Wright, Chairman of the Overview and Scrutiny Management Committee confirmed that the Committee considered the report at its meeting on 24 January 2023, raising issues such as the impact of higher interest rates, capital expenditures and cashflow management. The Financial Planning Task Group had looked at the report in greater depth.

Councillor Gavin Grant, Vice-Chairman of the Financial Planning Task Group commented on the report. He thanked the Cabinet Member and S151 Officer for providing answers to the Task Group on a number of matters. He commented on those elements of the capital programme funded by government grant and those subject to loans taken by the council, and any implications this had on the council's treasury management.

Councillor Ian Thorn sought additional details on the report. In response to queries it was confirmed advice was received from external advisors though any decisions on treasury management were taken by the council. He asked about management through money market funds, where it was stated that due to interest rate rises banks were more competitive than before. He also sought clarity on lender option borrow option loans.

At the conclusion of discussion, it was then,

Resolved:

To recommend that the Council:

- a) **Adopt the Minimum Revenue Provision Policy (paragraph 26 – 28)**

- b) Adopt the Prudential and Treasury Indicators (paragraphs 17 – 25, 40 – 46 and Appendix A)**
- c) Adopt the Annual Investment Strategy (paragraph 63 onwards).**
- d) Delegate to the Corporate Director of Resources & Deputy Chief Executive (S151 Officer) the authority to vary the amount of borrowing and other long-term liabilities within the Treasury Indicators for the Authorised Limit and the Operational Boundary**
- e) Authorise the Corporate Director of Resources & Deputy Chief Executive (S151 Officer) to agree the restructuring of existing long-term loans where savings are achievable or to enhance the long-term portfolio**
- f) Agree that short term cash surpluses and deficits continue to be managed through temporary loans, deposits and money market funds**
- g) Agree that any surplus cash balances not required to cover borrowing are placed in the most appropriate specified or non-specified investments, particularly where this is more cost effective than short term deposits; and delegate to the Corporate Director of Resources & Deputy Chief Executive (S151 Officer) the authority to select such funds**
- h) Agree the revised Investment Policy (paragraph 70)**
- i) Agree the revised Creditworthiness Policy (paragraph 77)**

Reason for Decision:

To enable the Council to agree a Treasury Management Strategy for 2023/24 and set Prudential Indicators that comply with statutory guidance and reflect best practice.